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The Nation's Business

What New Taxes To Pay For War?

From Ottawa it is suggested that the Minister of Finance hopes to find new war revenues by increasing the income tax and the corporation tax, and by adding Dominion succession duties to existing provincial levies.

There have been suggestions, too, that Mr. Ilsley will impose a capital gains tax.

Higher taxes there must be. We have a war to pay for. Nevertheless it is to be hoped that in the preparation of his next budget the Minister of Finance will use a little more realism and business judgment than has been shown in some of the war taxes already imposed. The Department of Finance is one of the best-staffed at Ottawa. But its experts are a trifle academic. They are a cloistered group, little inclined to leave their ivory towers to see how their taxes work out in practice.

Already they have put the upper brackets of income taxes at levels where the law of diminishing returns is working overtime. They have given us a type and a rate of excess profits tax which are frustrating the desirable objectives of increasing national production and discouraging waste.

They have spent a great deal of time ostensibly cutting budgets. But again their operations have worked in reverse, for while they spend hours on cheeseparing the ordinary departmental expenditures rise above prewar levels.

* * *

Mr. Ilsley and his experts know, or must know, where our wartime economy is out of gear. The important fact is that most of the enormous increase in payrolls is going into consumer spending rather than into either taxes or savings to finance the war. Since Ottawa must have money and since at the same time it wants to keep some control of the spending of the man on the street, it should adopt those new taxes that will best achieve both purposes at once. That points to broader income or national defense taxes in the lower brackets and to a wider range of luxury or consumption taxes. Further efforts to wring water from dry sponges will buy no planes or shells.

* * *

As for a capital gains tax, that is one of the worst snares that was ever set for national treasurers. If people are going to be taxed on capital profits they will have to be granted exemption for capital losses. All that would be achieved would be the loss of the amazing stability of our present income tax as a source of revenue. We would be in the position the United States is in: the tax money pouring in when it is least needed, and dropping off sharply when government expenditures soar.

* * *

New Financial Deal Will Be Forced By War

It would be a mistake to assume that the Black Camorra of provincial politicians who sabotaged the Ottawa premiers' conference last week have settled the fate of the Sirois report for the duration of the war.

The crisis in public finance in this country, a crisis that is inevitable if we cannot make an end of competition to govern and to tax, is not likely to await our comfort and convenience.

A new financial deal under Confederation is just as great a need, and just as lively a public issue, as it was two weeks ago, before the ill-fated conference met.

But there is this difference. There may not again be a similar opportunity to achieve desirable changes by round-table discussion. The violence of events may dictate the course of re-Confederation.

* * *

The Ottawa correspondent of The Financial Post suggests that some rearrangement of the financial relations of the Dominion and the provinces may be closer to hand than anyone would have believed after the cold-blooded effort last week to destroy reasoned unity of purpose in Canada. He thinks another conference may come together in about six months and that it will have a good chance of achieving some results.

And indeed there are developments in the cards that promise to change the aspect of the present controversy.

There are the pressing demands of war finances. Mr. Ilsley, with forgivable tactlessness, referred to them last week. The needs of the Dominion and the problem of conserving American dollars may produce new Dominion taxation policies that will seriously undermine the financial position of the provinces and force upon them most drastic measures of economy.

In addition, there are some further provincial maturities in the offing. Ottawa has served notice that it cannot continue to come to the

(Continued on page 2, col. 3)

Ottawa Sees Spring Vote By Hepburn

Money Inflation and Farmer Bonuses Predicted as Ammunition —Doubt Disavowals

From Our Own Correspondent

OTTAWA.—The Dominion Government interprets the sudden burst of activity in Queen's Park as confirmation of a long-held belief that Premier Mitchell Hepburn intends to hold an election as quickly as possible. And that belief is not seriously shaken by disavowals from Mr. Hepburn early this week. It is not thought however, that he can get to the country before the end of March or early in April.

The Hepburn easy money policy plus bonuses to farmers is regarded as stage setting for the election. Moreover the easy money policy would have the apparent advantage for Mr. Hepburn of permitting the Provincial Government to escape all the pangs of war. His idea appears to to be that the war can be run on paper dollars and that nobody needs to pay war taxes or to make any sacrifice.

Defeatist Policy

As one prominent official here said on Monday, "the Hepburn rubber money statement is the most injurious blow at the war effort since hostilities began: no fifth column move in this country begins to approach it in harmfulness."

Hon. J. L. Ilsley, Minister of Finance, went farther and described Mr. Hepburn's proposal as advocacy of a defeatist inflationary policy. The Nazis, he said, would hail "as proof of democracy's hopeless incompetence," any descent by Canada into the bitter experience of extreme inflation

Cheese and Butter

So far as the proposed cheese bonus goes, the Dominion will not remove the existing peg on the price of butter. But if Mr. Hepburn insists on going through with his proposal, regardless of Ottawa, he will force up the price of cheese to the point where Ottawa will have to raise the butter peg or face a butter famine next year. In the result, Ottawa will raise the peg to the point where farmers will still ship cream to the creameries and the Canadian consumers in all parts of the country will pay the shot.

Rog.-Majestic Deal Closed

Shareholders Asked to Approve Plant Sale — Get $3 a Share

Negotiations for sale of the manufacturing plants of Rogers-Majestic Corp., reported in The Post two weeks ago, have been completed. Under the agreement between Rogers-Majestic and Small Electric Motors (Canada) Ltd. a new company to be known as Rogers Majestic Ltd. is to be formed. The present company is to sell all of its assets, except the bonds and shares of Rogers Radio Broadcasting Co., in consideration of securities to be issued by the new company.

Securities of the new company are then to be sold to Small Electric Motors (Canada) for $645,000 in cash. Expenses of the transaction are to be paid out of the assets of the company, leaving the cash mentioned as a net return.

Distribute $3 a Share

It is then proposed to take necessary steps to reduce the capital of Rogers-Majestic and make a capital distribution to its shareholders. On the 215,000 A and B shares outstanding, this would be equivalent to $3 a share.

Name of Rogers-Majestic (present company) is to be changed while it will retain as assets the entire stock and bond issue of Rogers Radio Broadcasting Co., operators of radio station CFRB. About two months will be needed to complete the transfer.

Shareholders of Rogers-Majestic are to be given an opportunity to approve the scheme at a meeting to be called soon and the sale is made subject to approval of two thirds of the votes cast at the meeting.

Radio Output Continues

It is the intention of the purchaser to continue the activities of manufacturing radio sets and tubes, augmented by other lines. Small Electric Motors has just completed a plant at Leaside, Ont. It is understood to be connected with Broadcast Relay Service Ltd. and Rediffusion Ltd., both of London, Eng., where the latter company makes radio and communication apparatus.

Shareholders of Rogers-Majestic are advised that earnings of the broadcasting company are satisfactory and should soon permit dividend payments. Earnings of the Broadcasting Co. up to Nov. 30, 1940, are to go to the new company, but from that date accrue to the Broadcasting Co.

In recommending the proposals, directors of Rogers-Majestic state that increased excise taxes on radio sets, tubes and appliances, freezing of models and embargo against importation of refrigerators and other appliances have made it difficult to reach profitable operations for the manufacturing business. The remaining assets are stated to be of substantial value and earning power.

B. A. Oil Co. Builds More Pipe Lines

Constructing Further Collecting and Distributing System in Illinois For Toronto Refinery

A pipe-line gathering and delivery system is being constructed by Toronto Pipe Line Co., subsidiary of British American Oil Co., in southern Illinois. The new gathering system is to collect crude oil from wells owned by Continental Oil Co. and others, in the Griffin pool in southern Illinois, company officials tell The Financial Post.

Construction is now under way and the new system is to be running by the middle of February. Cost of the project is estimated by B.A. Oil at between $150,000 and $200,000. The gathering system will consist of about 25 miles of three and four inch lines while the delivery system will include about 10 miles of 6 in. line.

The lines will be able to handle between 5,000 and 10,000 bbls. daily. Delivery will be made to existing through pipe lines at Albion, Ill. From Albion the oil will move to Toledo for shipment by British American's own tankers to the company's Toronto refineries.

Supply Toronto Refineries

Present plans call for delivery of about 1.5 million bbls. of Illinois crude, gathered by the company's own system, to its Toronto refineries. British American has no interest in the wells themselves but will have full control of the output from all leases held by Continental Oil, as well as some others. There is said to be quite a possibility that requirements of crude will mean that additional oil will be taken from this field.

Crude for the company's Toronto refineries was supplied from the Illinois fields in the United States in 1940. In 1939 it came from Texas, where B. A. Oil has extensive crude production of its own. The Toronto refinery has a capacity of about 6,000 bbls. daily. British American owns four tankers having a carrying capacity of 20,000 bbls. each which will probably be used in handling the new contract. In 1940, this fleet was utilized in bringing crude from Toledo to Toronto but, that year, the oil was purchased delivered at the lakeside.

The company has announced that sales in 1940 increased more than 25 million gallons over total sales for 1939, making the seventh consecutive year to establish a new high record. Dividends of $1 a share paid in 1940 were again earned from Canadian operations, in spite of a taxation burden double that of any previous period.

CANADIAN COLONIAL AIRWAYS
CANADIAN COLONIAL

—Photo by News Pictures.

NEW TRAVEL ROUTE OPENED

Ready access for Canadians to the winter resort of Nassau, Bahamas, virtually cut off by war exchange regulations, has been renewed by direct air service from Montreal. A series of all-expense tours to Nassau, offered under the name of Mayfair Sky Cruises, was started last week. Above passengers on the inaugural trip are boarding the cruise plane, operated on a charter basis by Canadian Colonial Airways.

Roosevelt Seen Ready To Go the Limit

U. S. President Found Determined to Ensure Democratic Victory Over Axis at all Costs, Even War If Necessary

By K. R. WILSON
Staff Writer, The Financial Post

WASHINGTON. — Thousands of Americans were greatly sobered this week as they watched the inauguration of President Roosevelt break precedents.

From every state people came to watch this historic event — the first third-term inaugural. In the past such festivities usually reached their zenith with the inaugural parade, a typical American show-piece, richly flavored with all manner of political pomp and panoply.

But this parade was different.

Gone were the political marching clubs, the snappy drum-majorettes. In their place were row upon row of grey and khaki clad men of arms. In the rear were tanks and steel-sheathed "panzer" units. Overhead were score upon score of Flying Fortresses, twin-engined bombers and Army pursuit planes.

Grim Realization

The whole affair created a grim realization that the United States, not actually at war, was far from being at peace.

Earlier in the day, President Roosevelt had made a fervent affirmation of what this inaugural day meant to freedom-loving peoples. As rated by one observer, it was "a pact with free men everywhere."

His words carried welcome inspiration. But to Canadians and an embattled Empire actions must count more than words in this hour of great crisis.

No Interference

How ready is America to go "all out" for democratic freedom?

There appears to be only one answer to that question in Jan., 1941: Mr. Roosevelt will let nothing interfere with his deep-rooted passion to beat Hitler and the Axis powers. He will not count the cost nor will he hesitate one moment to go into war if he believes it necessary and expedient.

Nor would the American people, by all present indications, hesitate to unite behind such a policy once their leader said the word.

Present focal point in America's democratic defense programme is the passage through Congress of the Lease-Lend Bill. Beyond harmless verbal pyrotechnics there is, I am assured, no real legislative obstacle to the lease-lend plan or to any measure the President feels must be taken in the near future.

Production Lag

The real bottleneck is production, and this is a basic reason for the bill.

The bill gives the President power to "manufacture" any defense article for any country whose defense

(Continued on page 2, col. 5)

One Week More For Mine Entries

Feb. 1 The Deadline For Submitting Portfolios in Canada's Mines Contest

Contestants are now close to deadline for their $25,000 mines investment portfolio and 2,000-word essay for The Post's "Investing in Canada's Mines" contest. They have until Feb. 1 to complete an entry.

Besides the $100 and $50 first and second prize-winning entries, it is expected that a considerable number of honorable mention portfolios will be published, probably 10.

Here Are the Rules

For those who have not seen earlier announcements of the contest, entries are to be judged on the selection of a $25,000 mining portfolio for a businessman, who has a good income from his own business and other investments, but who desires greater diversification, a hedge against inflation and other unknowns, a reasonable return on his $25,000 and some prospect of capital appreciation. The businessman also wants some idea of the life of the mines he buys into, the possibility of future growth of the mines themselves, likely net yield after amortization, the effect of taxation on his mining income, etc.

Selections for the investment portfolio must be listed on a separate sheet of paper showing the number of shares, price and current income yielded, if any. Answers will be judged not only on selection of investments, but on the general advice regarding mining investment.

Aircraft Production Crisis Near Head

Early Government Move Forecast to Break Jam in Anson Bomber Programme Centred on Federal Aircraft Ltd.

The Government will act shortly to break the aircraft production jam centred on Federal Aircraft Ltd., it was forecast this week as public and official concern over the tie-up was intensified.

Windup of Federal Aircraft, the Government company set up to handle the Avro-Anson bomber project, is reported imminent at Ottawa. Decision to do so is said to have already been reached, but action deferred pending the return from England of Hon. C. D. Howe, Minister of Munitions and Supply.

Critical lag and serious confusion in the Avro-Anson programme, first spotlighted by The Financial Post nearly two months ago, have now stirred a widespread demand for drastic action. Leading newspapers of national influence have recently joined in citing Federal Aircraft as the chief obstacle to getting output under way, and demanding that it be dissolved.

"Get Rid of Federal Aircraft" was the heading on a front page editorial in the Toronto Globe & Mail early this week. Creation of Federal Aircraft had proved a "colossal blunder," said the editorial, and aircraft production had trailed behind munitions manufacture because of the bottlenecks created by the government company. Without further temporizing, it was said, the Government should dissolve Federal Aircraft and set up "a direct and businesslike system."

Job for Mr. King

Last week the Ottawa Journal declared the serious aircraft situation was a job for the Prime Minister and the Cabinet as a whole. The Journal's editorial said in part:

"Recently the Government has found itself in trouble over an inept suppression of the new Bren Gun contracts. There are those who believe, not without reason, that the Government is laying up more trouble for itself by not discovering accurately, and not telling the public sensibly, what is wrong with aircraft production.

"The stark truth is that after 16 months of war Canadian production of advanced fighter and bomber planes is pathetically below capacity. The further stark truth is that this failure constitutes a grave threat to the Commonwealth Air Training Plan."

The belief was growing, noted the Journal, that Federal Aircraft was at least partly responsible for Canada's aircraft output "falling down lamentably."

Toronto Telegram Article

The chaos and delays in the Avro-Anson programme and the failure of Federal Aircraft to get it going, were spotlighted in a special news report in the Toronto Telegram this week. Aircraft manufacturers are quoted as branding Federal Aircraft

(Continued on page 2, col. 2)

Vickers is Given Big Ship Order

From Our Own Correspondent

MONTREAL.—Canadian Vickers Ltd. has received an order from the British Government for six merchant vessels, costing between $8 and $9 millions. The ships will have a deadweight capacity of approximately 9,300 tons, and an overall length of 416 ft.

Construction will commence immediately and the entire order will take from one to two years to complete. The order is part of the programme for building 18 freighters for Britain in Canada. The other 12 ships will be produced by Davie Shipbuilding & Repairs Co., subsidiary of Canada Steamship Lines; and Burrard Dry Dock Co. in British Columbia.

Tobacco War Held Unlikely

Macdonald's Toronto Cigarette "Premium" Fails to Evoke Counter

From Our Own Correspondent

MONTREAL.—There is little evidence so far that the major tobacco companies intend to enter into a price war because of a disparity in prices of cigarettes in Ontario.

W. C. Macdonald, Inc., has been offering one of its standard brand cigarettes (British Consols) in Toronto, and some other centres at cut prices. The other tobacco companies seem content to remain aloof from the challenge, and so far as can be ascertained do not contemplate any action to counter the move.

Late last fall Macdonald's decided to place on the market one of its standard brands to sell at 22 cigarettes for 25 cents. Prevailing price was and still is 20 cigarettes for 25 cents in this market. Jobbers in a number of cases refused to carry the cigarettes on the ground that it would adversely affect profit ratio. Subsequently some reverted their stand, with the exception of the large United Cigar Store chain.

Prices Unchanged Elsewhere

Imperial Tobacco Co., the largest unit in Canada, did not follow suit, but continued to sell the same two standard packages at regular prices: Eight cigarettes for 10 cents and 20 cigarettes for 25 cents.

In some centres Macdonald's has maintained its prices at the same level as the competitor organization, and even in Toronto some dealers offer British Consols at the higher prices. The higher price packages carry premium coupons. In Montreal, where the province levies a tobacco tax, eight cigarettes retail for 11 cents, and 20 cigarettes for 28 cents. The provincial levy of 10% is included in this price.

Burns Earnings Hold '39 Level

Pork Exports to United States Are Big 1941 Possibility

Earnings of Burns & Co. for the 1940 fiscal year will be about equal to the 1939 level, The Financial Post learns, with the result that the company has again considered it advisable to omit sinking fund payment due Jan. 1 on the 5% bonds.

Although sales were above 1939, severe price competition in British Columbia and competitive buying of pork in the Prairie Provinces had an adverse influence on profits. Greater Vancouver, with a population of about 300,000, has some three times as many packing houses as either Toronto or Montreal, The Post was told.

Of the company's two major subsidiaries, Palm Dairies Ltd. had the better year, showing moderate improvement over 1939. Consolidated Fruit Co. earnings were somewhat lower than in the previous year, owing to the continued low purchasing power in the prairies, particularly in southern Saskatchewan. Consolidated Fruit Co. does not export and has therefore not been affected by British restrictions, but may be influenced if Canada extends import restrictions to citrus fruits.

Export to U. S.

Generally speaking, the outlook for 1941 is regarded as more favorable, although a number of doubtful factors remain. Increasing demand for pork in the United States has led to the opening of that market to Canadian exports in a few lines of dressed pork. Should pork exports become more general, the improvement would probably continue for the better part of a year, until U.S. hog production catches up with demand.

The present export of Canadian pork to United States reverses the trend of a year ago when there were large imports.

Seaway Decision Up to Roosevelt

From Our Own Correspondent

OTTAWA. — Unofficially it is learned that the decision whether or no to proceed forthwith to build the St. Lawrence seaway rests with President Roosevelt. Apparently Mr. Roosevelt still has an open mind on this matter and whatever he decides to do will be acceptable to Ottawa.

A new agreement between the Dominion and the Ontario Governments covering the cost of the power development to Ontario has already been drawn up. This was done many months ago. The terms of this agreement will probably be announced at the same time as the treaty or agreement between the two countries. All that is known about it is that Ontario will pay much less than the province would have done under the original Bennett-Henry agreement, signed about the time the 1932 treaty was entered into.

Make Sure You See —

McEachern "Discovers" The Argentine
Canada's Great Competitor—p. 11.

Appeasers Disclosed As Nazi Friends
American "No War" Advocates—p. 11.

New Sirois Conference Ahead?
See Sirois Conference—p. 3.

How Silk Stockings to be Replaced
Replacing War Banned—p. 20.

Another Gold Mining Achievement
Jason Finds "Golden Fleece"—p. 19.

The War And Business . . *A Weekly Round-up*

In War By April?

One of our correspondents in New York who has been telling us all along that the United States would be in the war by May still sticks by his forecast.

A leading New York publisher puts it even earlier. He is telling his friends the American declaration will come by April.

* * *

Scanning Contracts

The MacMillan committee in the Munitions and Supply Department is busy weeding out the failures from among the thousands of war contracts which have been awarded in these past 18 months.

Where contractors are found to be making little headway in producing the goods, the committee is recommending cancellation or reorganization. Headway is being made, although as yet no statement has been issued.

The committee is also having a somewhat curbing effect on the launching of new war enterprises. The tendency now is to look first and jump afterwards. Whether or not it is possible to make certain equipment in Canada, such as aero engines, is now being studied more closely in advance of action.

It is believed also that the crystallization of United States policy is also having an effect upon the over-expansion of Canadian industry. The lease and lend policy has freed Britain from the necessity of finding the U. S. dollars to pay for war equipment. This, inevitably, will make Britain less eager to develop new plants in Canada which it would require years to bring into efficient production.

It is now said to be very doubtful if tanks will be made in Canada, this despite an official announcement to the contrary a few months ago. It is also doubtful if aero engine production will be attempted.

* * *

Britain's Situation

A special report by the Foreign Policy Association, New York, indicates that Britain's situation is more serious than the average American, at least, appreciates.

"German air raids and sea warfare are slowly but surely undermining Britain's productive power and hence, in the long run, its morale and fighting strength," concludes the report. Air raids have slowed down industrial production; Britain could not by herself overhaul Germany in planes and weapons. Losses to Atlantic convoys have been alarming and there is now a real shortage of ships. The more liquid of Britain's financial resources in the United States are dwindling. There is a pressing shortage of naval vessels and certain types of trained personnel.

* * *

The picture is not encouraging but it checks with surveys by well-informed persons in Canada. It shows how important American aid is at this time. Add American industry, American ships, American dollars, and even, perhaps, the American navy, to British resources and the picture changes remarkably.

The critical time is the next six months, the period of bickering in Congress, bottlenecks in production and bugs in war materials. It will take a superhuman effort by Britain to hold the line in that period.

* * *

"Transfer" Problem

One of the most significant features of the lease-lend plan for U. S. aid to Britain is that it puts the postwar problem of "transfer" in terms that the man on the street can understand.

One of the underlying causes of the world depression and equally one of the causes of this present war was the effort of the United States to collect billions of dollars of war debts from Europe. The American people demanded payment in cash. They showed not the slightest conception of the fact that the payments could only be made in goods. American tariffs went to the highest levels in history, making shipment of goods from Europe next to impossible.

Now the loan, if it is made, will be stated in terms of goods. When Britain comes to repay the loan the American people will have to decide if they want the goods. They may well decide that they would prefer not to accept them. In any event there will be no silly demand for "money."

Even isolationist Republicans are beginning to realize that there are such things as a problem of "transfer" in repayment of debts between governments. That realization is probably behind their counter-proposal to make Britain an outright gift of $1 or $2 billions.

* * *

Capital Gains Tax

Reports that the Dominion Government will propose a capital gains tax in the next budget, now expected in March, can be neither confirmed nor denied. It is true that the Dominion Government and its taxation experts have not yet thought of such a tax; that no plans are under way for imposing it; that no consideration whatever has been given to the proposition. But the pressure of war costs is so great that the Dominion officials will not place any limitation upon the taxation measures which may be regarded as necessary.

As a result of the breakdown of the Dominion-provincial conference, it is certain that the Dominion will propose to Parliament the increases in taxation outlined by Mr. Ilsley to the delegates and, also, will adopt the attitude he suggested toward further requests from the provinces for aid.

* * *

The Dominion will enact higher income tax rates, higher corporation taxes, new succession duties. These, Mr. Ilsley seems to think, are the only medium through which war costs can be fairly and justly spread over the whole of the people.

In addition, Dominion assistance to the provinces on account of unemployment will cease and there will be no further help to provinces with respect to their debt service and debt maturities. The latter decision will face Manitoba with a crisis in the early summer when a substantial bond issue will mature.

With respect to gasoline, Mr. Ilsley made it clear that rationing of gasoline is not regarded as a taxation measure but as a means of conserving foreign exchange. He has already amplified his original statement by pointing out the rationing will not apply to tourists.

* * *

Bren in Australia

The first batch of Bren machine guns have passed their firing trials at the Commonwealth small arms factory at Lithgow, New South Wales, according to a wireless dispatch to the New York Times. Minister of Supply P. A. M. McBride pointed out that while Great Britain produced her first Bren gun four years after the commencement of manufacture, Australia under most difficult conditions accomplished the task in less than two, and six months earlier than had been thought possible in 1938.

The 17,000 drawings for tools, gauges, jigs, etc., arrived from England on Jan. 30, 1939. Orders for most of the nearly 73,000 tools required were placed overseas in the hope of commencing production in June, 1941, but later it became necessary to rely chiefly on Australian industry, previously inexperienced in this work. Amendments of the drawings by Britain complicated the manufacture further.

* * *

F. D. R.'s Health

Few questions are as vital to the Democracies as President Roosevelt's ability to live through these next critical years. Inaugural publicity has put great emphasis on his splendid physical condition. His personal physician, for example, has reported Mr. Roosevelt as in better physical condition than at any time in the past eight years.

This is not questioned. What is giving most concern is the fact that this man of highly nervous temperament has committed his heart and soul on the outcome of the present struggle. There is no laughing it off or shedding of responsibility as in the old days of the bank crisis and other domestic matters.

Recently, Mr. Roosevelt has carried on by leaving many things undone. Domestic and other matters normally demanding presidential attention have gone by the boards. The President will probably continue to do this so long as European tension remains or increases.

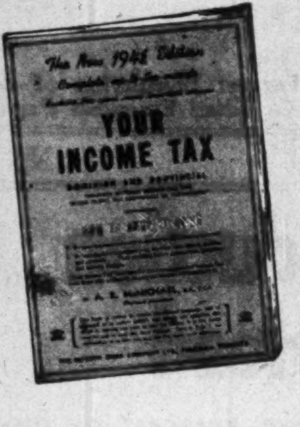
On the right side of the ledger is the President's indomitable willpower. This alone may ensure that he will live to see the end of the road.

* * *

Standardization

One of the stumbling blocks to effective use of the Canada-U. S. defense programme is the failure to standardize on war materials, supplies, armaments, etc.

Responsibility for this is laid on Prime Minister King by a man who has worked in close liaison with the "Services" and industry in both countries. In Washington recently he told The Financial Post, "Something must be done and done quickly. But it cannot come from the bottom. I believe the Prime Minister is the vital link. If he were to press the U. S. for a joint effort at standardization I believe he would get an immediate and affirmative response. Until that is done we seem to be drifting and wasting increasingly precious moments."



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DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the Quarter ending 31st January, 1941, payable 25th February, 1941, to Shareholders of record at the close of business on the 31st January, 1941.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.
21st January, 1941.

LEITCH GOLD MINES

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DIVIDEND NO. 10

Notice is hereby given that a quarterly dividend of two cents per share has been declared by the Directors of this Company payable in Canadian funds on February 15th, 1941, to shareholders of record at close of business January 31st, 1941.

By order of the Board.

H. J. MACKAY,
Secretary-Treasurer

January 20th, 1941.

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Aircraft Output Crisis Near

(Continued from page 1)

as quite unworkable and its functions better handled by an established aircraft company. One manufacturer is quoted as saying:

"The whole idea is crazy. It's like putting a salesman in charge of a bunch of sawmills. . . . Those at its (Federal Aircraft's) head are not and never have been aircraft manufacturers. They don't know what they're doing . . "

Allot Production

Should Federal Aircraft be wound up, according to pending plans at Ottawa, the production work the company is now carrying on itself would be allotted to private aircraft plants now operating below capacity. Federal Aircraft was originally formed as the central key unit in the $50 millions Avro-Anson project to direct and co-ordinate production by eight aircraft and metal-working plants.

The entry of Federal into actual production of fuselages has been one of the sore points with participating manufacturers. When contracting firms could not promise deliveries because of lack of designs, specifications and materials, Federal set up its own Delorimier plant in rented Montreal premises to "show" the manufacturers how fuselages could be produced.

Change Demanded

As this scheme also failed to produce results, aircraft industry leaders have been urging with growing insistence that Federal's functions (including production) be turned over to one of the established aircraft companies.

That the Avro-Anson-Federal setup will be reorganized appears inevitable. Just how it will be done will apparently depend on the stand taken by Supply Minister Howe after he gets back from London. He is understood to be due shortly and a decision expected very soon after his arrival. The delay in winding up Federal Aircraft or otherwise rejuvenating the Avro-Anson programme is reportedly at the request of Mr. Howe. Recently the Cabinet is said to have cabled him a report on the increasing acuteness of the situation and a proposal for summary action, but he is said to have demurred and asked that action be held up until he got back.

British Advice

The advice and information Mr. Howe got in England will no doubt have an important bearing, not only on the Avro-Anson situation, but on aircraft production generally in Canada. It is believed to be the view of British authorities that Canada should concentrate on production of training types, including Ansons, rather than service planes (fighters and bombers for actual combat). Mr. Howe will also undoubtedly bring back a fairly complete picture of British requirements and how Canada may best fit into Empire production of war planes.

It is possible the Minister may oppose scrapping Federal Aircraft on the ground that a central, controlling agency is necessary to co-ordinate the output of Anson components by eight plants, assembly by four plants, and supply of parts by numerous other plants across the country. In this event, the Government would still face much pressure from aircraft manufacturers and elsewhere for a sweeping shake-up in the direction, methods and operations of Federal Aircraft.

Many Changes

Much of the alarming delay and confusion in the Avro-Anson programme appears to have sprung from the repeated changes in connection with Federal Aircraft—in design, in placing orders, in administration. The original president, Ralph Bell, left to become director general of aircraft production in the Supply Department and was succeeded at Federal by Ray Lawson, London. Recently the general manager, R. J. Moffett of Vickers, was succeeded by W. A. Newman, chief mechanical engineer of the C. P. R. F. L. Jeckel, once treasurer of Federal, transferred to the aircraft construction branch of the Supply Department.

However, the directors have remained the same since inception of Federal last summer: Sidney Dawes, president of Atlas Construction Co., Montreal; G. Blair Gordon, president, Dominion Textile Co.; Russell Smith of Canadian Industries Ltd., and Allan Aitken, Price Bros. & Co. Mr. Aitken is a brother of Lord Beaverbrook, chief of aircraft production in England.

Deliveries Indefinite

When The Post first surveyed Federal Aircraft along with other Government war companies last summer, it was reported that the first Ansons would be "in the air by about the first of March, 1941." More recently it was estimated that production would get under way by June. But even officials within the company see not the slightest prospect of turning out an Anson by June and fear that they may not be ready to meet schedules of the Air Training Scheme.

Ceaseless red tape, division of authority, lack of final authority, and frequent changes in plans, designs and specifications all seem to have played their part in creating sore spots in aircraft production.

When supply of Ansons from Britain was cut off after Dunkirk, it was necessary to redesign the machine extensively to adapt it to use American engines. This was brought out in an early article on aircraft production troubles generally, in The Post's issue of Nov. 30.

Early in December The Post published a further article drawing special attention to the troubles besetting the Anson project and Federal Aircraft. It was then reported that final designs had not been worked out for some phases of the Anson programme nor details of subcontracts completed. The same article pointed out that lack of Ansons might seriously hamper the Air Training Plan.

"A Calamitous Debit"

Just before the turn of the year The Post carried a more extensive survey of Federal Aircraft, which was found to be still the most critical phase of Canada's aircraft programme. The belief of aircraft industry leaders was reported that the government company should be eliminated. They regarded it as "a liability, a calamitous debit in the aircraft balance sheet."

This article also reported:

"Nub of the bickering and controversy which have marred relationships of Federal Aircraft and established aircraft companies is the failure of Federal to supply drawings, materials, etc., with which to manufacture Anson wings, fuselages, etc. . . . "

Referring to the programme for production of complete fuselages by one of the contracting firms, the article said:

"The Financial Post is informed that this programme is now four months behind schedule, due primarily to lack of materials, drawings, specifications, etc., and to delays over which the company has no control. There is now little or no possibility of the first fuselage being ready, complete, before June. That would mean no volume production before September."

The articles and editorials that have been appearing in Canadian newspapers in the past week have emphasized but not added to the information covered in The Financial Post's articles of some weeks ago.

The Nation's Business

(Continued from page 1)

rescue of provinces that are financially embarrassed.

* * *

Even more important, taxpayers throughout the country are becoming aroused. The provincial politician may think that he is dealing with a set of persons other than those who pay taxes to the Dominion. But the taxpayer is beginning to awaken to the fact that he is the three-in-one, the one common goat for three municipal, provincial and Dominion tax-collectors. He will consent to be taxed more heavily by the Dominion for war purposes; but he will insist that the other tax-collectors lay a less heavy hand upon him.

* * *

There is plenty of trouble ahead in public finance in Canada, with higher taxes and further provincial defaults all mixed up with more bad acting on the part of our more opportunist politicians. As the crisis deepens, there will be less and less opportunity to avert trouble by discussion and planning. But inevitably, the financial relations of the Dominion and the provinces will be worked out on new lines, whether by agreement or by force of uncontrollable circumstances.

* * *

With reasonable modifications the new deal that will emerge will follow the general patterns of the Sirois report. After all, most of the half million dollars that the Sirois report cost was spent in simple, scientific fact-finding. And the facts, when added up, all pointed in the same general direction.

The Sirois report was never a cure-all. At best it offered merely the broad lines for a new and urgently necessary financial deal under Confederation. It offered a starting point for a candid and informed discussion. There was no chance for that last week.

When the conference met there was lukewarm encouragement from the Prime Minister for a facing of facts. His speech will read well when historians look at it. But of leadership to save the conference there was none. Then the stiletto men—Hepburn, Aberhart and Pattullo—got busy. It is doubtful if in the long history of politics in Canada there was ever uttered so bumptious and offensive an address by a public man as the sneering speech of the premier of Canada's Banner Province, applauded and supported by the premiers of Sunny Alberta and the province of the Golden Twilight.

It is not that these men opposed the report; but that they refused to offer any rational argument for their point of view; that they refused to discuss serious public problems, except in terms of abuse and misrepresentation; that they came, like street rioters, to disturb and destroy and not to build.

* * *

Perhaps by now, the three freebooters may be feeling a little ashamed of their tawdry performance on the stage of history.

From Premier Aberhart there is little reason to expect any understanding leadership in a problem relating to public finance. But from Ontario, Canada's wealthiest and strongest province, and from British Columbia, whose minister of finance is honest, experienced John Hart, may we not expect something better in the future?

Canada has heard from the political chiefs of the provinces what they will not permit to be done. The country would now like to hear their constructive suggestions as to what they think can be done to find the solution of our serious problems of public finance.

And if and when they plan such suggestions, three thoughts should remain uppermost in their minds:

That there are not three sets of taxpayers in Canada, but only one set;

That we cannot pay for the war and continue to maintain the present scale of governmental expenditures for other purposes;

That the vast majority of the people of Canada think of this as one nation and not as five or six.

* * *

A Banker Faces Facts

What is implied in an all-out war effort? In the opinion of J. A. McLeod, president of the Bank of Nova Scotia, it implies that we have committed ourselves to raise, not just what money can be raised conveniently, but all the money that can be spent effectively for the war.

Yet, Mr. McLeod indicated, war finance is not a problem of money but fundamentally a question of human effort and sacrifice. And that in turn means that the productive powers of the nation—labor, machinery and materials—must be diverted as far as possible from non-war to war purposes. On the home front it calls upon everyone to bear heavy taxation and to save to the limit of his ability.

"It may appear that this is the hard way to finance the war, but because it combines efficiency and justice in the greatest measure it is the best way and the democratic way," said Mr. McLeod.

The heads of Canada's financial institutions who are now taking the occasion afforded by their annual meetings to speak out in a forthright manner on the harsh necessities of war finance, are doing Canada a good turn. Not the least convincing exposition of the problem is that of the Bank of Nova Scotia president.

Two Controls Now Over Butter

From Our Own Correspondent

OTTAWA, — Revolt of dairy farmers against the pegged price for butter has had the effect of removing from Dominion wartime economic controls what little co-ordination existed. Until the pressure became severe the job of controlling our economy was handled by the Wartime Prices and Trade Board. When the labor situation got out of hand, the job of dealing with wages was turned over to an interdepartmental committee. It placed a ceiling on wages based upon considerations quite different from any that had been set out by the Wartime Prices and Trade Board. Then the board dealt with butter by decreeing a maximum price. Now the task of fixing a minimum price on butter has been taken away from the board and placed in the jurisdiction of the Department of Agriculture. This means that two separate branches of government will be dealing with the one commodity.

Roosevelt Ready To Go the Limit

(Continued from page 1)

is considered vital to the defense of the U. S. This is interpreted as directing all defense production into the one government channel, Office of Production Management, and thus making for more efficiency and speed.

But most of America's manufactured war production cannot be available in time to meet the expected crisis of the next 60 or 90 days. So Mr. Roosevelt is given the power first to "transfer" any de-"repair" any defense article for any "Repair" any defense article for any democratic government.

An obvious problem arising out of the bill is how these supplies are to reach the British if there should be any of the weakening of the Atlantic life line. The Atlantic sea-lanes loom as a probable turning point in the American programme.

As a source close to the Administration said this week: "Convoys mean shooting and shooting means war." The President will undoubtedly do everything to avoid "shooting," but he will not see Britain lose because American aid cannot get across the Atlantic.

Can't Use Destroyers

It is probable that the Administration would be willing to hand over perhaps two or three cruisers and 20 more destroyers as one alternative. But apparently the British have indicated they are not in a position to provide personnel for these if they were offered.

Provisions of the bill which permit U. S. to "repair" other countries' defense weapons will be used almost at once to overhaul British merchant vessels, and to provide equipment for loading and unloading.

There is yet no clear picture here as to what this bill will mean to Canada.

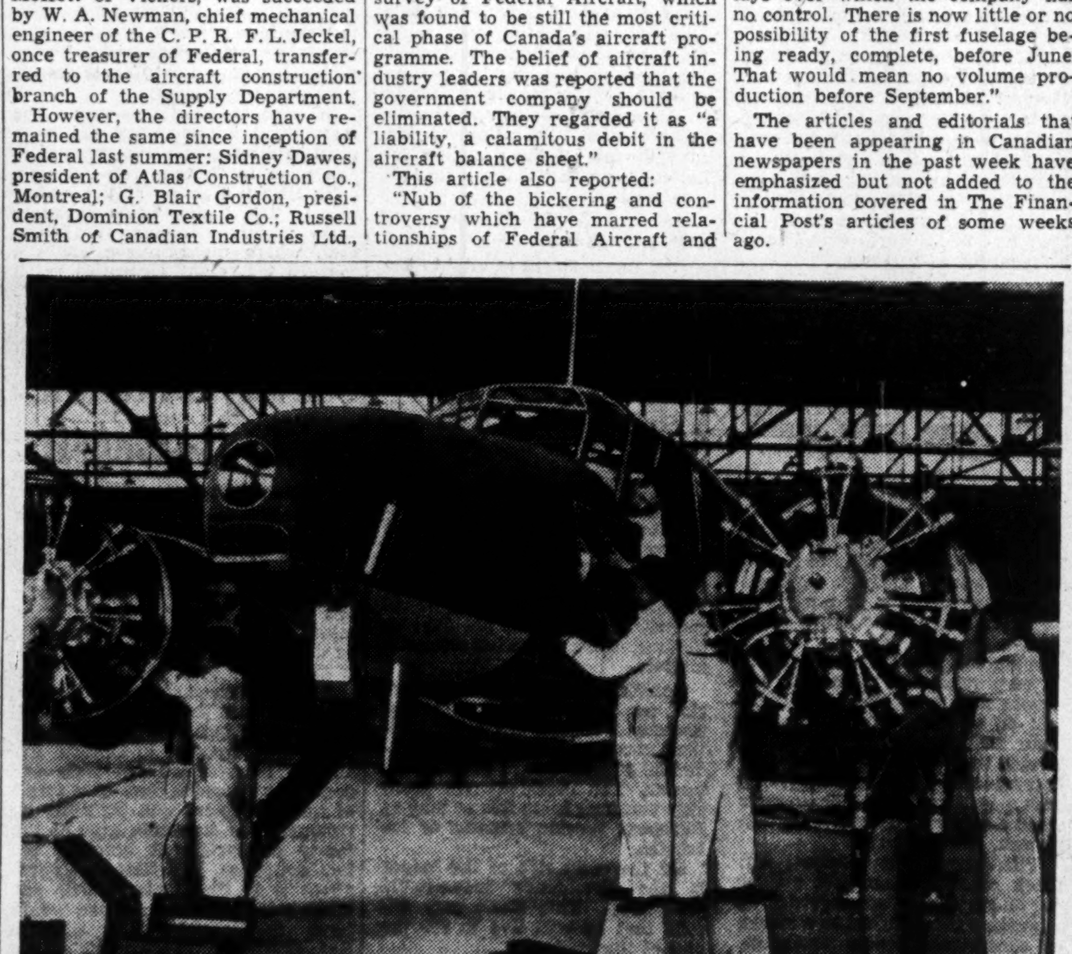
Will it permit Britain to divert business to the U. S., which formerly might have gone to Canada? It might be reasoned that since the problem of U. S. dollar exchange will be solved, U. S. plants could be used as a quicker, more economical source of supply.

It is believed here the U. S. will find some way of ensuring 100% use of all Empire facilities before applying the lease-lend law. Significantly, the statement of Britain's financial position given last week by the Secretary of the Treasury included $880 millions of money to be spent in Canada and Newfoundland, as part of U. S. dollar requirements for 1941.

In short British "dollar" requirements for 1941 lump Canadian and U. S. commitments under one head. Canadian purchases, it might be inferred, will be considered as part of the general plan of North American procurement.

This bill, it is felt, marks a definite turning point toward economic union of the English-speaking peoples. From now on there cannot be another deal such as the Ottawa Agreements. There can only be "continental agreements" between America and other English-speaking nations.

One other result of the plan is almost certainly an immediate standardization of a great variety of defense materials. The U. S. will, of course, have the whip hand. Under the lease-lend plan there seems little doubt that Britain will be forced to adopt many U. S. standards.



This is an official Canadian Government photograph distributed through the Director of Public Information and published in several newspapers throughout the country this month. It carries an "official" underline, passed by the censor, and which reads:

"NEARING END OF ASSEMBLY LINE

An Avron Anson bomber nears the end of the assembly line in a Canadian aircraft plant. It will soon add its weight to help tilt the balance of air supremacy in favor of Great Britain. A crew of mechanics adjust the twin motors, while electricians connect the wiring."

This picture was taken, The Post is informed, in an aircraft assembly plant in Winnipeg. The plane being assembled is not a Canadian-built Anson but one of many British Anson planes which have been sent to Canada to fill the gap in our own Anson production programme.

Some of these planes have actually been in service in Britain. They have been taken out of service there to meet the urgent need in Canada of intermediate and advanced bomber training machines for the Empire Training Programme. They are "knocked down," shipped to Canada, then reassembled here.

Present jam in the Canadian Anson programme, centred on Federal Aircraft Ltd., make it uncertain when Canada-built Ansons will be available.

Ontario Engineers Elect Officers

S. R. Frost Will Head Professional Engineers of Ontario This Year

Election of 1941 officers and council of the Association of Professional Engineers of Ontario took place at the general meeting of the Association at the Royal York in Toronto last week. S. R. Frost, Toronto, succeeded J. W. Rawlins as president of the association.

Vice-president of the association is W. C. Miller, St. Thomas, registrar is M. Barry Watson, Toronto, while secretary-treasurer is Walter McKay.

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Jan. 25, 1941

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C.P.R. Widens Air Interests

From Our Own Correspondent

MONTREAL.—Report that Canadian Pacific Railway is taking over a number of Canadian air transport companies cannot be confirmed at the company's head office here. Officials refuse to comment on a report that the Railway has acquired control of Canadian Airways, Dominion Skyways and Quebec Airways, and is completing acquisition of Yukon Southern, Mackenzie Air Services, Starratt Airways and Wings Ltd.

It is regarded as probable, however, that Canadian Pacific is contemplating entry into the air transport business on a large scale and is assembling the basis for operations to be expanded after the war. It might eventually dovetail the northern transport lines it is now reported to control into a trans-Canada service linking Atlantic and Pacific steamship services.

The fact that Sir Edward Beatty, president of C. P. R. was recently elected president of Canadian Airways lends substance to the report that control has already been obtained of this organization.

The Financial Post previously reported that C. P. R. had obtained a controlling interest in Mackenzie Air Services.

Richardson Interests

Control of Canadian Airways, Quebec Airways and Dominion Skyways was held by the late James Richardson, a C. P. R. director. The western financier had been seeking to expand Canadian Airways into a transcontinental system before Trans-Canada Air Lines came into the picture. Mr. Richardson and others connected with the enterprise felt the Dominion Government had disregarded the pioneering work that they had done in the field of commercial aviation. Establishment of T. C. A. precluded any possibility that Canadian Airways would be able to expand on a transcontinental and more profitable scale.

C. P. R. was offered joint partnership with C. N. R. in T. C. A., but refused. It is now believed to be the largest private air line owner in Canada and to be preparing to push plans for establishment of a vast network of air lines when the time is propitious.

"and now for the BANKING angle"

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Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials.

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Canadian JOHNS-MANVILLE CO., Limited
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL WINNIPEG VANCOUVER

Vancouver Exchange Re-elects Committee

Vancouver Stock Exchange members have re-elected last year's managing committee to serve for another term. The Exchange president in his remarks paid considerable attention to the position of British Columbia's mining industry. He referred to the urgent need for measures to stimulate prospecting and exploration work, suggesting that mining companies be permitted to charge exploration costs against current revenues and that depletion allowances be raised to 50% from the present 20%.

Committee members for the current year are:

A. E. JUKES, president.
FRANK E. HALL, vice-president.
J. A. CURRAN, honorary secretary.
A. N. WOLVERTON, honorary treasurer.
F. B. MONTEITH, D. F. MACKENZIE, K. L. PATTON, J. C. ROSS, A. C. WATT, committee members.

Milk Price Rise Goes to Farmers

The Toronto milk price jump this week is the only Ontario increase at present under consideration by the Milk Board. But negotiations between producers and retailers are general throughout Ontario and will probably result in further submissions to the Board.

Entire price increase will go to the farmer, according to C. M. Meek, chairman of the Milk Control Board, and will amount to approximately 30 cents on 100 lb. of milk.

Milk distributors contacted by The Financial Post do not view price increases favorably. Regardless of the fact that producers are the sole beneficiaries of the price rise, the distributors feel that they will bear the brunt of any public ill will caused by the increased cost of a necessary commodity.

Authorization of the one-cent per quart increase in milk prices for the Greater Toronto District by the Ontario Milk Board will add some 18% to the value received by farmers for milk sales in the area.

Greater Toronto consumes some 7½ million quarts of milk per month, and the one-cent increase will add up to $75,000 to the cost of milk per month. Pint and gallon retail sales will tend to keep the increase somewhat below this figure, since the price change affects quart sales only.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Jan.	....	....	Apr. 18, '41	$40,000,000	99.841	.631%

ST. PAUL FIRE and MARINE INSURANCE COMPANY

St. Paul, Minnesota

C. F. CODERE, President — F. R. BIGELOW, Chairman

A. B. JACKSON, Assistant to President
O. J. KRUGER, Treasurer
C. H. KNOCHE, Assistant Secretary
L. W. KING, Assistant Secretary
S. J. MacMINN, Assistant Secretary
W. W. SKINNER, Investment Officer
J. C. McKOWN, Secretary
C. A. DOSDALL, Secretary
M. D. PRICE, Secretary
H. T. DRAKE, Secretary
R. H. BANCROFT, Assistant Secretary
J. B. CARTER, Assistant Secretary

SEVENTY-SIXTH ANNUAL STATEMENT
AS MADE TO DIRECTORS AND STOCKHOLDERS DECEMBER 31st, 1940
ST. PAUL FIRE AND MARINE INSURANCE COMPANY
ST. PAUL, MINNESOTA

ASSETS	
Bonds (at Market Value Dec. 31st)	$24,636,246.48
Stocks (at Market Value Dec. 31st)	15,090,514.32
Home Office and Other Real Estate	1,153,617.16
Mortgage Loans	862,357.27
Collateral Loans	595,000.00
Cash and Bank Deposits	2,495,515.60
Agents' Balances, not over 90 days	2,783,653.81
Due from Re-insurance Co.s' Notes, etc.	238,374.79
Accrued Interest	215,340.86
	$48,070,620.29

LIABILITIES		
Reserve for Unearned Premiums		$10,010,916.53
Reserve for Unadjusted Losses		1,996,170.31
Reserve for Taxes, Cont'g. Comms., etc.		892,808.27
Reserve for Adjustment Expense		80,000.00
Funds held under Re-insurance Treaties		339,347.26
Reserve for Depreciation		938,116.63
Conflagration Reserve		750,000.00
Capital Stock	$10,000,000.00	
Surplus	$23,063,261.29	
Total Policyholders Surplus		33,063,261.29
		$48,070,620.29

The stock in subsidiary companies is carried into this statement at its book value after setting up a reserve for the increase in security values of the respective companies.

COMPARISON WITH DECEMBER 31, 1939

	Dec. 31st, 1939	Dec. 31st, 1940		
Net Premiums	$12,077,630.88	$13,458,430.50	Increase	$1,380,799.62
Unearned Premiums	9,609,365.00	10,010,916.53	Increase	401,551.53
Assets	44,466,498.65	48,070,620.29	Increase	3,604,121.64
Capital and Surplus	31,070,534.24	33,063,261.29	Increase	1,992,727.05
Conflagration Reserve	675,000.00	750,000.00	Increase	75,000.00

Subsidiary Companies

MERCURY INSURANCE COMPANY

Assets	$686,347,540
Surplus to Policyholders	415,329,835

ST. PAUL-MERCURY INDEMNITY COMPANY

Assets	$1,429,131,942
Surplus to Policyholders	599,263,110

P. A. CODERE, Chief Agent for Canada,
402 Paris Building, Winnipeg, Man.
GEORGE A. SHERRITT, Superintendent of Agencies
J. D. LOGAN, Assistant Superintendent of Agencies
1714 Metropolitan Building, Toronto 2, Ont. Telephone: Adelaide 2993

See Sirois Conference Revived Before Middle of Year

From Our Own Correspondent

OTTAWA. — Present hopes are that the second Dominion-provincial conference on the Sirois report will be held in June. At the moment this is merely a hope because the Dominion Government is still licking the wounds inflicted by the three dissenting provinces—chiefly by Mr. Hepburn of Ontario. Actually, the move for a second conference is stronger than a hope: it is a distinct probability.

The grounds for this hope are these:

1—The Dominion budget, which will carry out the programme outlined to the conference by Hon. J. L. Ilsley, will come down in March. The provinces, particularly the weaker ones, will be hard hit.

2—The conference last week never reached discussion of the report or the basic problems confronting the nation and, until these problems have been faced, Ottawa is not disposed to regard failure as inevitable.

3—Manitoba faces debt maturities in July. Saskatchewan has none this year. But so severe will be the effect of Ottawa's budget on these and other provinces that the dissenters may be in a much more reasonable mood by June.

Errors in Tactics

In retrospect, the Dominion Government and its advisers are of two minds with respect to the conference. Some think that Mr. King made a regrettable error in tactics which enabled Mr. Hepburn to undermine the conference before it had really got under way; to collapse the edifice almost before construction had begun in earnest.

Mr. Hepburn was much more vicious and intractable on the second day of proceedings. It was evident to the press gallery that by Wednesday there was a hard and fast agreement among the dissenters (not evident on Tuesday) to break up the conference. Mr. Ilsley's declaration of Dominion policy came on Wednesday and plainly shook the dissenters. They began to waver. Mr. Hepburn rallied them in a speech which held out promise to Mr. Aberhart that he (Hepburn) was moving rapidly social creditwards. "Let us tackle the thing (war finance) in a big way, as suggested by my hon. friend from Alberta." Mr. Hepburn never wobbled in his desire to end the conference. But Mr. Pattullo did. "If you want this conference to continue," he said, "why not let us discuss questions of mutual interest? Leave the discussion wide open. . . ."

Mr. Aberhart, while he stood by Mr. Hepburn, cannot be regarded as adamant in his opposition to the conference, unless all his earlier statements are ignored.

Aberhart Was Ready

On his way to Ottawa Mr. Aberhart stopped off at Winnipeg to make two speeches. He said: "I think the conference on the Sirois Report is the proper step to take under the circumstances. There are many matters which need special attention at the present time and, although many of us feel that this is a poor time to try to establish an amended or a new constitution, still the economic problems of the moment and the preparation that must be made for postwar reconstruction are so great that some unified action should be discussed in regard to them."

Again, on the opening day of the conference, Mr. Aberhart, speaking obviously from a prepared script, had no doubt of the wisdom of holding the conference. This was an "auspicious" occasion. The meaning of "auspicious" used in this setting is available in any dictionary—"omens favorable to success, well-timed, propitious, prosperous, auguring success, happiness," and so on.

As a former school principal Mr. Aberhart doesn't use words loosely. He went on to say: "Our representatives are delighted to be here to take counsel at this time with our fellow-Canadians on matters of such grave importance as we have been discussing this afternoon. We think it was the proper thing for you to call us together, and we want to thank you for this privilege." Quite evidently Mr. Aberhart had no monkey wrenches under his coat tails at the outset.

Hepburn Fired Torpedo

The man who torpedoed the conference was Mr. Hepburn and he was astute enough to realize that he could not do it, safely, single-handed. He sought and obtained allies at the very time the Dominion Government sat twiddling its thumbs in benign complacency.

Criticism from within the Dominion fold takes the line that Mr. King, as chairman, should have spoken very briefly in opening the conference and promptly called upon Mr. Ilsley to say at the outset on Tuesday what he actually said the next day, after the Hepburn revolt had stormed the citadel and pulled down the flag. Even so, Mr. Ilsley's counter attack very nearly brought two of the rebels to heel. If he had led with it, the revolt probably would never have occurred.

Attack Not Anticipated

Why did Mr. King fail to gauge the temper of the conference?

His opening speech is completely revealing. He never anticipated attack in the form it came, nor was he speedy enough in his mental processes to extemporize a crisis policy. Mr. Hepburn caught him off guard, overwhelmed the conference before Mr. King could adjust himself to shock tactics. Quite evidently Mr. King cannot think in terms of Ontario's stormy premier: cannot foresee and provide against what Mr. Hepburn can and does do.

Mr. King dislikes Mr. Hepburn as a public man intensely. He evidently expected a personal attack—not a frontal attack on the conference itself. He presumed that the conference would proceed according to plan, although Mr. Hepburn would snipe at him, be provocative and quarrelsome.

A single phrase from Mr. King's opening speech tells the whole story of the handling of the conference. "We are members one of another." That came straight from the Epistle to the Romans, chapter 12. Mr. King undoubtedly had read it that morning, imbued himself with it. Do good to your enemy, leave vengeance to God, feed him if he is hungry, and so on. A reading of this chapter is essential if Mr. King's temper is to be understood. He came armor clad, impervious to gibes and sneers and flouts. He even tried to feed Mr. Hepburn on the Tuesday night at dinner. Mr. Hepburn, somewhat ostentatiously, declined to be fed.

King Too Detached

Mr. King's attitude remained sweetly reasonable and persuasive throughout: his detachment was perfect, no pressure was placed upon the provinces. But the conference failed.

If the record of the conference is studied carefully it will be apparent that the dissenters would never have remained a bloc under the impact of Mr. Ilsley's speech. Would Mr. Hepburn have stood alone? Probably not. Would the Dominion have gone forward if but one of the nine provinces had walked out? Almost certainly yes.

As it was, the proceedings, once faultily launched, proceeded from bad to worse. Never before has there been so blatant a demonstration of crude selfishness and parochialism. Mr. Pattullo took a line disruptive of national unity. He argued against any common economic level of government in Canada. He believed there are five distinct and separate economic areas and that no effort to unite them is possible. "British Columbia is in a category by itself." That was his position. Mr. Aberhart, of course, could fall back on Social Credit as the cure-all, while Mr. Hepburn, in the earlier stages, could be content with attacking and discrediting the report itself.

Considered in the light of Mr. Ilsley's speech the future is not a happy one, but there is every reason to believe that somehow or other the country will continue to get by.

The point is this:

Mr. Ilsley gave facts and figures to show the terrific financial burden imposed by the war. The Dominion must carry this burden regardless of other considerations. The chief objective of the Government is to distribute this burden evenly and fairly over the Canadian people. If the Dominion sought to do so by indirect taxation, it must fail since indirect taxation has small regard for ability to pay. Direct taxation must be used—income, corporation taxes and succession duties. Here, however, the fact that the provinces use these taxes makes an ideal policy impossible. Dominion direct taxes will run as a broad hand across the Dominion. Above it the provincial taxes will rise in uneven peaks. As the Dominion band thickens, some of the peaks will go up out of sight —the burden will be grossly unequal.

Had the report been adopted the provinces would have surrendered the direct taxes and national uniformity would have been attained. The full burden of the war and of the settlement under the report would have been carried evenly by all citizens. For a time Dominion taxation would have been higher, but in the weaker provinces it would have been lower. The burden on Canadians as a whole would not have changed.

Invade Provincial Tax Fields

This opportunity to trim the ship of state has been lost, momentarily, perhaps for the duration. The Dominion is going ahead with its policy of invading provincial fields of direct taxation. No other course is open to Ottawa in view of the magnitude of war requirements.

In the result, existing inequalities will be exaggerated. The weaker provinces will be squeezed from all sides. Their responsibilities will be greatly increased because federal aid for unemployment relief and for debt service will cease. At the same time provincial revenues will be cut down—particularly if gasoline rationing is adopted.

This will not make for national unity in war and two of the three premiers guilty of the wreck of the conference clearly saw this dilemma. Only Premier Pattullo impaled himself heroically on both horns of this dilemma. Mr. Aberhart's argument is that the dilemma does not exist. Social Credit will do the trick. Mr. Hepburn showed no sign of being aware of the position in his early speeches, but he saw it clearly after Mr. Ilsley spoke. His answer was to line up with Mr. Aberhart on easy money—there is no problem once easy money is adopted as the solution. Mr. Hepburn's later development of this policy indicates two things: That he does not want actually to climb on the Social Credit wagon and, also, that he feels he must not stand as the rock which wrecked this move for national solidarity in war.

There is one other factor of this conference which is important, although it got no attention at all. That factor is Quebec. Basically, Quebec is the province which presents the greatest difficulty in adopting the Sirois solution. Yet Quebec does not figure in the story of this conference except fleetingly in the person of Mr. Godbout, a courtly, conciliatory, gentlemanly French Canadian. He was willing to discuss all problems—but served notice he would not accept any permanent settlement under war conditions.

Another Conference Coming

Therefore, as future prospects are surveyed, these things seem true:

Mr. Pattullo may be expected to reverse his antagonism to a conference.

Mr. Hepburn, as his speeches indicate, was moved chiefly by seething hatred of Mr. King. He detests the Prime Minister and quite evidently is not governing his actions by the twelfth chapter of Romans. But he is unlikely to stand out alone.

Mr. Aberhart may be left to the people he represents. His stand at Ottawa will be the issue in the Camrose by-election on Feb. 6, and Mr. Aberhart, as his speeches prove, can easily accommodate himself to circumstances. He is really not a serious obstacle.

A second conference before the worst befalls may be looked for and it will be surprising if it follows the pattern of last week's fiasco.

The Post-Bag

Roebuck Groomed?

Is the Toronto Daily Star, which dislikes Premier Hepburn, grooming its own candidate as the next head of the Liberal Party?

The Star's choice is said to be Arthur W. Roebuck, Hepburn's deposed Attorney General.

* * *

Butter Glut

There is a shortage of butter now but by next June, agricultural experts say, there will be a glut. Farmers in eastern and western Canada are taking steps to increase butter production.

There seems still to be plenty of political trouble ahead in the field of butter.

* * *

Parallel Columns

PM, New York daily nickel tabloid, has a dispute on with the newspaper writers' labor union. PM has been reporting the progress of the dispute in parallel columns, one written by itself and the other by the union.

This is the first time the employer, in a labor dispute, has been able to get his story in PM.

* * *

Get Together

Windsor Chamber of Commerce started something the other day. It gave a dinner to the newly elected mayor, city councillors et al.

Businessmen and civic representatives agreed to work together for a better city.

* * *

Garibaldi's Curse

On April 12, 1854, the great Italian patriot, Garibaldi, wrote to an English friend:

> "England is a great and powerful nation, independent of auxiliary aid, foremost in human progress, enemy of despotism, the only safe refuge for the exile in Europe, friend of the oppressed.
>
> "But if ever England should be so circumstanced as to require the help of an ally, cursed be that Italian who would not step forward with me in her defense . . ."

On whom falls Garibaldi's curse today?

* * *

Cost of Death

A statistician has been doing some figuring on the high cost of killing.

He reports:

The cost of killing one enemy soldier was 75 cents in the time of Julius Caesar; $50 in the 30-Years War; $5,000 in the American Civil War and $25,000 in World War I.

In the present war, it is estimated at over $50,000.

* * *

Three-in-One

Ontario has a power controller but it isn't a one-man job.

Actually, Ontario's wartime power dictatorship is in the hands of the three commissioners who direct the Ontario Hydro-Electric Commission. It is this three-man board which constitutes the control authority.

Were you to write a letter to Ontario's "power controller" you would probably get a reply signed Osborne Mitchell as secretary for "power controller." Mr. Mitchell is also secretary to the Hydro Commission.

* * *

Ignorance

President Roosevelt lost his temper at his press conference the other day. He said some very sarcastic things.

A friend of The Financial Post writes from Washington:

> "I am not surprised that the president has become impatient. Some of the things these people say make even me lose my balance. Senator Wheeler, as a matter of fact, has made statement after statement that seem to indicate that he has never seen a European map."

London Calling

by Atticus

Britain Rejoices in Great African Victories — Atticus Sketches Career of First Great War Friend, Commodore Collishaw of British Columbia

LONDON.—Unlike the Germans, we do not order the bells to ring for three days to celebrate a victory, or even command citizens to beflag their houses.

But there was real rejoicing in our hearts when Bardia fell. Sir Archibald Wavell has faced many difficulties, and his triumph is one of character as well as ability, plus, of course, that element of good fortune which always plays its part in victory.

A few weeks ago Field-Marshal Sir Philip Chetwode said to me: "The commander in the field far away from home has the loneliest job in the world. He has to take the decision and stand or fall by it." Then he described how Allenby ordered an advance in the last war when the advice of his colleagues was solidly against him. I know that it is the modern custom to look upon generals as men who have risen to the top through sheer lack of imagination, but, like most legends beloved of the male, it is somewhat lacking in substance.

* * *

Air Leader Collishaw

Air-Commodore Collishaw, who is directing the Air Force operations against the Italians, is one of the most interesting personalities so far brought to the spotlight in this new war. As a friend of his in the last war I tell his story with a certain relish.

Collishaw was a vigorous young Canadian who lived on the Pacific Coast and loved anything that had to do with the sea. Then the war of 1914 broke out and there was a great rush of Canadian youth to join the Army. Collishaw and a couple of his friends had other ideas. They wanted to fly and, going to Ottawa, they put their case before the Minister of War, General Sir Sam Hughes. The Minister was not sympathetic. Like many men in high places at that time he regarded airplanes as mechanical toys, only fit for faddists and of no military value. Undeterred, Collishaw and his friends paid their own passages to England and were finally granted probationary commissions in the Royal Flying Corps. At that time, however, England was still English, and the Canadian accent of the newcomers puzzled and disturbed the officers in charge. There was even a suggestion that Collishaw and his companions should go for a course in pronunciation, but they rebelled. They had come to fight and they refused to be deflected from their purpose.

So they were sent out to France, but only with considerable misgivings. I do not know what happened to the others, but Collishaw not only proved a most daring and skilful pilot, shooting down over 50 of the enemy in single combat, but demonstrated remarkable qualities of leadership when given command of a squadron. Undoubtedly he was among the first 10 aces of the last war.

When peace came he could not bring himself to leave flying, and stayed on in the R.A.F. The last time I saw him was in 1919, and had no idea he was in Egypt until the communique gave him credit for leading the R.A.F. in the desert warfare. It is a perfect climax to a stirring story of human determination.

* * *

Re-orienting in Hungary

Hungary's Foreign Minister, Count Csaky, who has been much in the news recently, must have altered his political stance since a couple of years ago. At that time no Hungarian was more vehement about the slices of Hungarian territory which were given to its neighbors after the last war. "They used the knife," he would say, "to enrich the Asia that surrounds us." That was his way of expressing his dislike of the Slavs. Recently, however, he was in Belgrade, as a representative of the Axis, offering permanent friendship to the neighbor which had been given some of Hungary's choicest bits of territory.

The Count is dark, sleek, and, but for the Mongol slant of his eyes, might pass for Charlie Chaplin trying to imitate Ronald Colman. I never met a man to whom the adjective "suave" could be more suitably applied. Oddly enough, in view of the peace treaties, he is a strong admirer of Lloyd George, and is quite convinced that if only he and the little Welshman could have had an hour's chat the Treaty of Trianon would have been framed quite differently. He speaks excellent French, but no English, although he has that admiration for English country life that is shared by so many of the Magyar nobility.

"In most countries there are noblemen," said the Count, "but it is only in Hungary and Britain that there are gentlemen. In Germany there is not one."

I wonder if his mind has changed on that subject too.

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Investment Trends

Investment Experts Stay on Sidelines

Large Investment Trust Accumulates Record Cash Balance, Waiting For Better Buying Opportunity to Invest

Discussing investment policies with The Financial Post recently, a man for a number of years associated with the management of two of Canada's largest investment trusts, said that he saw no incentive to buy stocks at present. He made no exceptions to this statement and cited evidence of faith in this theory that the trusts with which he is connected have right now more cash on hand than at any previous time in their history.

This cash, amounting to several hundred thousand dollars, is being held for a more advantageous opportunity to invest.

How far such a policy might be adaptable to the average investor is hard to say but it does make clear that the men who handle investment accounts in Canada running into several millions are extremely cautious right now and have been for the past few months. The attitude cited here is not an isolated one, being supported by others in similar positions.

Two Reasons

Reasoning behind this stand-offish attitude to stock markets at present bases it on two factors. First—and easiest to accept perhaps—is the theory that real effect on the investment position of Canadian stocks of present and prospective taxation has not yet been realized by the average investor.

Next major argument given in support of this policy of super-caution is a feeling that wars never go long in favor of any one side. Sooner or later some adverse news appears, no matter how favorable the general trend may turn out to be. Now, says, this man we have had no seriously adverse news for several months. Probability, he thinks, favors a shock to an already none-too-strong confidence sooner or later. When that time comes this man wants to be on the sidelines with a substantial sum in cash ready to pick up the bargains he is certain will then be available. His policy is not a defeatist one; he has faith in eventual victory. It is merely in timing that he is concerned.

* * *

Views on Inflation

The argument that equities are more desirable investments than bonds during periods of inflation is attacked by D. E. Kilgour, president and general manager of the North American Life Assurance Co. in his address to shareholders at the recent annual meeting. He maintains that the kind of inflation feared by many people can and will be prevented. He projects his ideas a few years ahead concluding that:

> "Money will be worth about as much, if not as much, as it is today, and furthermore that even if there is a degree of inflation those who have life insurance and government bonds will be still better off than those who have unwisely dissipated their money and have nothing to show for it in the end. Economists have generally come to the conclusion that there is no real hedge against inflation if inflation is going to occur. Probably the only one who can escape it is the one who can transplant himself, as well as his wealth, physically to some country that is wiser than his own."

Coming to the widely held idea that stocks are better than bonds during inflationary periods, Mr. Kilgour says:

> "If the need comes to impose inflationary measures on the people and in that way take away their wealth, the Government would have the power to tax, and through taxation equities would suffer as much as, if not more than, other forms of wealth."

* * *

New Phases Develop

A new phase is entering the British programme of liquidating its resources for United States dollars. Also involved is the potential liquidation of similar resources in Canada.

Discussion in New York is now centring around means of handling the transfer of numerous wholly owned subsidiaries of British firms operating in the United States. This includes many important companies, listed under the heading of direct investments, quite outside of British holdings of stocks or bonds in U. S. corporations.

Two main lines of operation appear to be developing. President Roosevelt has hinted that some U. S. Federal agency may be empowered to receive and hold what might be called collateral against British buying in that country. Also reaching the stage where much importance must be placed on it is the suggestion that large U. S. investment trusts might take over some of the larger holdings of the British, probably with the idea of later redistributing what proportion they did not care to retain for their own investment accounts.

* * *

In Canada Too

Here a new step was taken recently when a large Canadian investment group took over the liquidation of British holdings in Bell Telephone Co. of Canada, amounting in all to 30,000 shares. Another block of 21,000 Class A shares of Bathurst Power and Paper is being distributed. This method of underwriting and then making public offerings has been extensively used in the United States, invariably with great success.

Possible action in disposing of important, and wholly owned, subsidiaries of British companies in the United States brings up the chances that similar moves might be made in Canada before the end of the war. Such action, if and when it comes, should provide Canadians with some attractive investment opportunities.

Market Opinions

While waiting for some decisive news from war fronts and legislative halls at Washington, market commentators in the United States continue very cautious.

Barron's, N.Y. (The Trader)—Despite the innumerable forebodings and the continual imponderables of taxes and controls, certain stocks have been gradually making sufficient headway to invalidate the defeatist belief in cash as the only safe investment. If the prosperity of 1941, now being spurred anew by fresh armament contracts to heights that must surely surpass 1929 boom, is pitted against unparalleled ease of money, a record high level for high grade bonds and rising commodity prices, the case for equities is undermined only by fear, which is a sentimental and quite possibly, therefore, a transient factor.

* * *

Brookmire Counselor, New York—The stock market did not demonstrate much vigor on the rise around the turn of the year. The recession since then has likewise proceeded rather quietly to date, and the question to watch now is whether or not it will develop any sizeable selling. The relatively low level of stock prices and the rising earnings trend, continue to be importantly favorable factors. At the moment most attention is being paid to tax and other uncertainties. A watchful eye on war developments remains necessary, but the long-term outlook warrants clients in keeping stock portfolios tuned to armament-stimulated expansion.

* * *

Barron's, N.Y. (The Dow Theorist)—December lows are receiving a real test. A break through those levels would merely mean a continuance of the secondary decline which began in November. But if the averages insist in holding above the December lows, they may present a buying chance to the speculator willing to abandon such a commitment quickly if the market breaks through after all.

Of course, if there is an immediate rally to above the November highs, the chance will have gone almost as soon as it appeared. But any rise to such levels would indicate the existence of a bull market under the Dow theory.

* * *

Journal of Commerce, N.Y.—The American financial markets will doubtless remain sensitive to impending major developments abroad. However, there are substantial reasons for believing that a break in prices of major proportions, such as occurred last spring, may not result from new German "blitzkrieg" attacks that are to be expected with the coming of more favorable weather, whatever their form and objective and however substantial the initial results they may achieve. A decisive German victory would, needless to say, constitute a major shock and threat. At least the immediate impact even of such a catastrophe upon economic and financial conditions in this country should not be as great as would have been the case last spring when our own armament production machinery was still of very limited proportions.

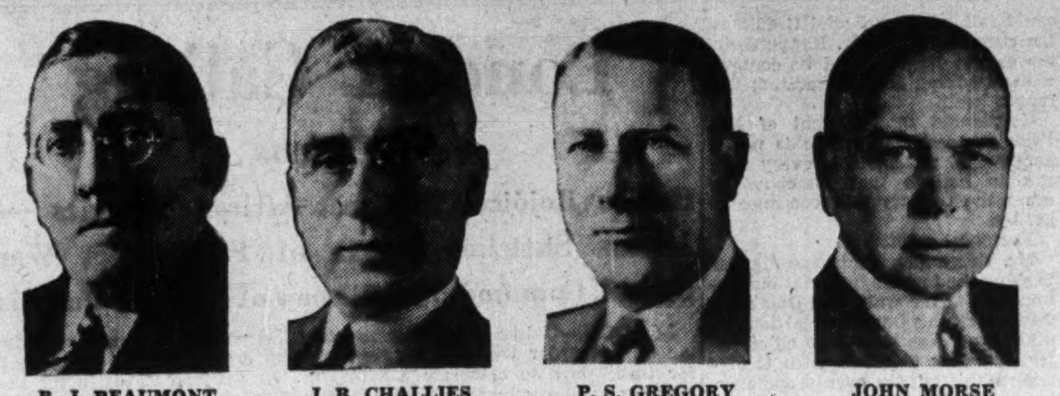
* * *

Financial World, N.Y.—High grade bond and preferred stock prices continue to occupy a very vulnerable position. Not only do securities of this type face the effect of a diminishing purchasing power of the dollar—and thus of the incomes which they afford—but now there is also being made a determined attempt in responsible quarters to bring about increased money rates. With such factors at work, the average investor should confine his "backlog" to selected medium grade bonds and preferreds the prices of which are supported more by the issuers' credit than by the level of interest rates. Common stock holdings should consist largely of good grade income issues which afford good yields, and whose dividend covering should not be too seriously affected by the prospective further increases in the tax burden.

United-Standard Steel Merger Approved

Proposal for United Steel Corp. to buy the remaining minority interest in Standard Steel Construction Co. and to amalgamate operations of the two companies, was approved at a special meeting of shareholders on Jan. 17.

Under the proposals, one common share of United Steel will be given for each common share of the subsidiary. United Steel Corp. holds about 99% of the Standard Steel shares outstanding.



R. J. BEAUMONT J. B. CHALLIES P. S. GREGORY *Blank-Stoller photo.* JOHN MORSE *Blank-Stoller photo.*

SHAWINIGAN NAMES FOUR VICE-PRESIDENTS

Appointment of four assistant general managers as vice-presidents of Shawinigan Water and Power Co. is announced by President James Wilson. R. J. Beaumont is named vice-president in charge of distribution; J. B. Challies, vice-president and executive engineer; P. S. Gregory, vice-president in charge of sales and promotion; and John Morse, vice-president in charge of operations. The promotions, Mr. Wilson stated, recognize the increasing importance of the functions performed by these officers.

Company Reports

Lambton Trust

Earnings of Lambton Trust Co., Sarnia, Ont., subsidiary of Lambton Loan & Investment Co., declined to $9,689 in the year ended Dec. 31, 1940, compared with $11,503 for 1939. The company's asset position showed a slight increase, particularly in liquid assets. Paid-up capital increased by the issue of 11 fully paid shares at a premium.

Estates under management rose nearly 50% during the year to $466,260 as compared with $309,565 a year earlier.

Savings Record

Year	Paid-up capital & reserves $	Net profit $	†Div. rate %	†Rate earned per sh. %
1936	211,000	9,721	4	6.03
1937	212,000	12,060	4	7.44
1938	212,000	10,383	4	6.41
1939	258,300	11,503	4	4.83
1940	258,850	9,689	4	4.06

†Based on capital paid-in of $238,850 in 1940; $238,300 in 1939. Capital includes 217 fully paid, 6,080 75% paid shares in 1940; 206 fully paid and 6,080 75% paid in 1939.

Assets Position

	1940 $	1939 $
Liquid assets	106,368	102,743
Mtges. & int. (net) ..	199,854	201,824
Other net assets	*366	548
	305,856	305,115
*Debit.		
Estates	466,260	309,565

Lambton Loan

Ninety-seventh annual report of the Lambton Loan & Investment Co., Sarnia, Ont., shows earnings increased to $3.19 in 1940 from $2.80 per share for the year ended Dec. 31, 1939.

In addition to meeting regular dividend requirements and all operating expenses, earnings for the year permitted the transfer of $25,000 to investment reserves. Liquid assets increased from $788,921 at the end of 1939 to $827,906 at Dec. 31, 1940.

Earnings Record

Year	Paid-up capital & reserves $	Net profit $	Div. rate $	*Rate earned per sh. $
1936	1,489,750	44,287	2	2.80
1937	1,489,750	41,629	2	2.64
1938	1,489,750	42,312	2	2.68
1939	1,489,750	44,149	2	2.80
1940	1,489,750	50,349	2	3.19

*Based on 15,795 shares of $50 par value.

Liabilities to the Public

	1940 $	1939 $
Debentures & int. ...	1,622,724	1,644,621
Deposits	1,005,921	1,051,292
Total	2,628,645	2,695,913
Secured by:		
Liquid assets	827,906	788,921
Mortgages & int. ..	2,748,409	2,847,385
Other net assets† ..	599,936	613,454
Total	4,176,251	4,249,760

†Including Lambton Trust Co. stock carried at $255,000.

Confederation Life

Increases in new business written, insurance in force and total assets, a reduction in the mortality rate, lower operating expenses and a rate of interest earned slightly below the previous year are features of the annual report of the Confederation Life Association for the year ended Dec. 31, 1940.

In his address at the annual meeting, V. R. Smith, the general manager, stressed the fact that the mortality rate was below the level of the average of the past 10 years and quite unexpectedly was affected but little by the war.

The gain in volume was due partly to an increase in new business sold and partly to conservation of the business already on the books. Lapses were down by $100,000 and policies surrendered for cash were down by $1.3 million in amount compared with 1939. Immediate annuities in force now stand at the highest point on record. Group life insurance and group annuities were higher.

The company reports its earned surplus at $2.5 millions including $405,549 net profit on the sale of securities, the operating profit being $2,149,442 compared with $2,232,105 in 1939. Payments to policyholders were lower, due mainly to a lower amount paid for surrendered policies. Endowments also were lower.

	1940 $	1939 $
New insurance ...	49,390,099	48,604,501
Business in force .	445,087,729	431,478,374
Total receipts	22,599,106	23,389,886
Net prem. inc. .	15,065,071	15,042,445
Annuity prems..	1,518,574	2,344,434
Int., divds., etc..	5,609,911	5,584,219
Securities, etc ..	405,548	418,786
Policy payments .	12,171,571	13,363,892
Death claims ...	3,569,660	2,940,874
Endowments ...	3,051,586	3,702,877
Annuities	1,224,044	1,163,548
Disab. annuities	260,720	241,521
Surrenders	3,486,726	4,620,932
Suppy contracts .	123,669	97,104
Guar., divids., etc.	231,706	301,194
Int. to policyhrs., etc.	323,459	295,839
Earned surplus ...	2,554,991	2,650,891
Assets	135,686,104	130,301,124
Gov., mun. bds.	74,949,793	70,908,558
Other bonds ...	12,620,207	12,931,756
Pfd. stocks	2,807,628	2,689,374
Com. stocks	4,802,326	4,556,248
Mortgages	16,401,992	16,058,603
Real estate	4,196,885	4,145,914
Pol. loans	12,626,478	12,462,861
Cash	2,614,622	2,232,120
Pol. reserves	115,122,408	110,867,616
Free surplus	5,055,358	8,930,178

North American Life

Increases in both new insurance effected and insurance in force are shown by the North American Life Assurance Co. in its annual report for the year ended Dec. 31, 1940.

Total receipts also were higher, net premium income and interest and dividends received showing an increase.

Out of these receipts the company paid a larger amount in death claims than in the preceding year but payments for matured endowments and surrender values were lower. Surplus earnings were down slightly.

An increase in total assets was mainly due to expansion in holdings of government bonds and mortgages. Holdings of common stocks were reduced considerably.

In his address at the annual meeting D. E. Kilgour, president and general manager, stated that the increase in assets goes mainly to the support of the war effort through purchase of government bonds, the balance to maintain the existing financial fabric as well as meet the legitimate demand from industry and prospective home owners. The rate of interest earned on invested assets was 4.63% against 4.68% in 1939.

Years Ended Dec. 31

	1940 $	1939 $
New insurance ..	27,113,409	25,652,917
Business in force .	248,050,137	239,457,765
Total receipts	11,044,340	10,701,057
Net prem.	8,073,791	7,874,487
Int., divds., etc..	2,933,112	2,823,815
Other funds	37,436	2,754
Policy payments:		
Death claims ...	1,772,705	1,299,164
Matured endows., etc.	2,922,389	3,210,433
Surplus earnings .	1,131,935	1,296,937
Total assets	67,969,282	65,001,883
Govt. bonds	20,415,750	18,710,397
Mun. bonds	9,542,857	9,618,071
Other bonds	9,958,559	9,039,054
Pfd. stocks	1,711,216	1,264,429
Common stocks.	2,436,500	5,983,533
Policy loans ...	7,028,163	7,247,962
Mortgages	12,147,887	11,807,926
Real estate	1,785,630	1,965,412
Cash	646,258	873,796
Policy reserves ..	55,502,032	52,798,261
Free surplus	2,256,347	2,211,348
Interest earned, %	4.63	4.68

New Group Organized By Industrial Realtors

Specialists in industrial real estate in Canada and the United States now have an organization of their own in the Society of Industrial Realtors, set up early in January through the National Association of Real Estate Boards. President of the new body is Walter S. Schmidt of Cincinnati, former president of the N.A.R.E.B.. There are 12 vice-presidents heading district organizations which embrace all of the U. S. and the chief industrial regions of Canada in Ontario, Quebec, Manitoba and B. C.

In addition to giving service to manufacturers, industries, financial and other institutions, the industrial realtors' group is expected to assist in the U. S. defense programme. Data will be made available on plants, warehouses and factory sites that could be used for defense industry expansion.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Using old base 1926=100)												
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.8	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.8	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Nov.	107.6	16.6	69.1	108.6	82.0	161.7	132.7	126.9	50.6	75.9	39.4	81.7
Dec.	98.3	15.4	63.8	97.0	78.8	159.9	133.6	121.9	50.2	77.4	38.5	77.1
Weekly Figures:												
(Using new base 1935-39=100)												
Jan. 9 ..	77.6	75.8	72.6	52.2	114.9	99.0	105.7	86.2	76.6	95.4	78.1	71.5
Jan. 16 .	78.9	76.2	72.6	53.0	113.0	96.7	104.9	86.0	76.5	95.0	78.5	72.6
Mo. ago .	79.4	76.7	74.8	48.2	116.8	99.8	107.0	88.0	75.0	95.1	76.2	70.2
Yr. ago. .	105.0	116.5	115.6	77.4	127.1	113.6	106.7	106.5	91.2	103.3	89.7	90.1

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 21	99.21	105.97	67.05	20.97
Jan. 20	99.70	106.64	67.37	21.17
Jan. 18	100.26	107.64	67.46	21.29
Jan. 17	100.22	107.62	67.41	21.21
Jan. 16	101.10	108.20	68.56	21.10
Jan. 15	102.54	108.67	68.95	21.39
Month ago ..	99.80	107.68	66.64	21.03
Year ago ...	122.08	119.76	85.56	31.66
High 1940-41.	128.84	123.80	88.97	33.31
Low 1940-41 .	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Jan. 21	53.3	63.8	60.3	76.20	78.95
Jan. 20	53.2	64.3	60.6	77.90	79.33
Jan. 18	53.0	64.9	60.9	78.82	79.37
Jan. 17	53.5	65.1	61.2	79.06	79.59
Jan. 16	53.9	65.4	61.6	79.85	79.85
Jan. 15	53.9	65.5	61.6	79.72	79.80
Month ago .	55.1	66.4	62.6	79.74	78.90
Year ago ..	67.5	87.2	80.7	135.39	96.62
High 1940-41	69.2	92.2	84.4	152.63	100.81
Low 1940-41	50.7	56.0	54.7	66.44	55.16

Windsor Plan Up for Debate

Debenture Holders See Danger in Financing Through Sinking Fund

Mayor Arthur J. Reaume's proposal that the City of Windsor borrow from the debenture sinking fund to finance a municipal housing plan has reached the stage of seeking authorization for the scheme in a private bill to be presented at the next session of the Ontario Legislature.

Sinking fund trustees are now empowered to lend up to 20% of the cash available for investment to the city for municipal capital expenditures, but home-building is not at present regarded as being in this category. The present bill would "authorize the corporation to construct, maintain, manage, sell or lease dwellings in the City of Windsor on lands owned by the corporation." The clause is expected to receive strong opposition from the Legislature, since it would create an embarrassing precedent for a revival of municipal housing schemes.

If the sponsors of the bill should succeed in having it passed, the city will still have to convince the trustees of the sinking fund that the loan of funds to the city for this purpose would be advantageous. The sinking fund trustees include one representative each from the city, the debenture holders and the province.

Debenture holders contacted by The Financial Post feel that if the sinking fund accepts obligations of the city backed by its real estate revenues, and if the city should experience difficulty collecting those revenues, the whole project will result in a drain on surplus revenues which would otherwise accrue to the sinking fund. In this sense, the sinking fund would be financing a venture that might ultimately deplete its own revenues. This is aside from the question of whether it is necessary for the city to supplement existing housing finance facilities, particularly when Windsor rents have been pegged at a level too low to encourage private building.

Noted Engineers Receive Awards

Julian Smith Medal Given For Outstanding Achievements

From Our Own Correspondent

MONTREAL. — Council of the Engineering Institute of Canada has announced selection of eight initial recipients of the Julian C. Smith Memorial Medal for outstanding service in the development of Canada.

Awards will be made at the annual meeting of the Institute in Hamilton on Feb. 7 to the following members of the institute:

List of Awards

SIR HERBERT HOLT, chairman of the board of directors of the Royal Bank of Canada.

BEAUDRY LEMAN, president of the Banque Canadienne Nationale.

AUGUSTIN FRIGON, assistant manager of the Canadian Broadcasting Corp.

R. J. DURLEY, secretary emeritus of the Institute and a former professor of mechanical engineering at McGill University.

RICHARD S. LEA, consulting engineer and former professor of civil engineering at McGill University.

HON. C. A. MAGRATH, Victoria, B.C., chairman of the Canadian section of the International Joint Commission.

W. D. BLACK, industrialist, Hamilton, and a member of the executive committee of the Bank of Canada.

DR. F. W. GRAY, Sydney, N.S., mining engineer and assistant general manager of the Dominion Steel and Coal Corp.

One Award Annually

The Julian C. Smith memorial medal was created to perpetuate the memory of the former president of the Institute and at the time of his death president of the Shawinigan Water and Power Co.

A small group of senior members of the institute set up a foundation to be used by the council for a memorial medal to be awarded "for achievement in the development of Canada."

In subsequent years it is the intention of the institute to make not more than one award annually.

Aluminum Co. Appoints New Vice-president

From Our Own Correspondent

MONTREAL.—J. H. Alger, director and vice-president of Aluminium Ltd., has been appointed vice-president of Aluminum Co. of Canada, succeeding the late O. M. Montgomery.

Dr. Earl Blough, president and director of Aluminum Laboratories Ltd., has been appointed to the board of directors of the Aluminum Co. of Canada to succeed Mr. Montgomery.

Foreign Exchange

During the week Jan. 14 to Jan. 20 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Jan. 20

Australia ...	3.58	N. Zealand..	3.61
India	.3372	S. Africa ...	4.47
Japan	.2606	Hong Kong .	.2639

Pete's Output Off Slightly For 1940

Survey Shows Exploration Activity is Continuing in South America

Production of crude oil by Tropical Oil Co., operator of the DeMares concession in Colombia, and a subsidiary of International Petroleum Co., in 1940 was approximately 21.1 million barrels, down about 1 million barrels from the 1939 level. No new discoveries of importance were reported from Colombia last year although active search is still in progress, according to the Oil and Gas Journal.

Other fields operated by International Petroleum are in Peru. In that country, International Petroleum Co. produces about 78% of Peru's crude oil output.

Peruvian Trend Down

In this connection, the Oil and Gas Journal reports that routine operations were insufficient to maintain Peruvian production last year. The declining production pursued the course of the two preceding years in 1940 and there is no indication that the trend can be altered in the near future.

Although no breakdown of International Petroleum's share of Peruvian crude oil output is available, the figures published indicate that total output from that country in 1940 was 12,451,300 barrels, compared with 13,496,880 barrels in 1939. As already mentioned, International Petroleum produces about 78% of this total.

Maintain Drilling

Of the two oil fields operated by International Petroleum Co. in Colombia, the Infantas field had an average daily production last year of 10,300 barrels from 451 producing wells. The La Cira field had an average daily output of 51,000 barrels from 653 wells.

In Peru the La Brea-Parinas field of International Petroleum showed average daily output of 26,530 barrels and 2,058 producing wells.

There were five wells drilling in Colombia in December and 28 in Peru.

New Fields Opened

In its survey of world oil supplies, the Oil and Gas Journal mentions the new field discovered in Venezuela late in 1940, and already reported by The Financial Post, by Mene Grande Oil Co. It is stated that the new Mene Grande discovery is producing at about the rate of 1,000 barrels daily and indications are that substantial reserves have been opened in the general vicinity.

In addition to the new Leona discovery, Mene Grande gets credit for Santa Ana, San Joaquin and El Tigre, new fields appearing in 1940 Venezuelan production for the first time. Production from new fields is apparently connected with the main 16-inch line extending from the Oficina field of Mene Grande to the Caribbean coast. It is stated that most of the drilling in Eastern Venezuela in 1940 was concentrated in the Oficina district where an important high-gravity field has been developed, largely by Mene Grande, in which International Petroleum has a one quarter share.

Mene Grande Oil Co., in which International Petroleum Co. has an interest, was the largest producer and exporter of crude oil from Colombia in November. This company's output totalled 3,432,921 barrels compared with 3,540,710 barrels in October. Exports by Mene Grande Oil in November totalled 3,283,103 barrels compared with 3,504,845 barrels in October. International Petroleum's share of the exports would be 820,778 bbls. in November and 876,211 bbls. for October.

B.C. Sugar Pays Less Dividends

Reduction of 50c Share Indicated For Current Year

From Our Own Correspondent

VANCOUVER. — War conditions are partly responsible for reduction in dividends of B.C. Sugar Refinery.

Extra dividend of 75 cents a share was paid by the company Jan. 15 and if the usual practice is followed the total distribution for the fiscal year ending March 31, next, will be $3.75 a share compared with $4.25 in each of the two previous years.

The regular annual rate is $3 per share payable quarterly, with an extra payment in January depending on the earnings record of the past year.

The highest dividend payment in any one year was $8.75 in 1932. Sugar sales throughout Canada have been increasing, but wartime taxation has offset any increase in gross revenues.

Paper Box Combine Appeal Started

Hearing of the appeal of the paper box companies against judgment under combine charges last September, by Mr. Justice Hope of the Ontario Supreme Court, has started in Toronto before the Ontario Court of Appeal.

At the time of the judgment of Mr. Justice Hope last year, fines ranging up to $10,000 were assessed against the companies involved. Payment of these fines was stayed pending the appeal which is now under way.

Melchers Clears Up Arrears on Preferred

From Our Own Correspondent

MONTREAL. — Melchers Distilleries Ltd. has declared a dividend of 30 cents a share on the 6% preferred stock, of $10 par value, payable April 15, to shareholders of record April 5.

At Dec. 31, 1940, arrears amounted to 30 cents a share, the company having postponed dividend payment covering the first half of 1940. A payment of 30 cents was made Dec. 20, applicable to the first six months of the year.

THE LAMBTON LOAN AND INVESTMENT COMPANY, Sarnia, Canada

BALANCE SHEET, December 31st, 1940

ASSETS

Office Premises	$ 17,640.00	
Office Furniture	854.53	18,494.53
The Lambton Trust Company, Limited—Stock		255,000.00
Real Estate Held for Sale		228,323.91
Mortgages on Properties Controlled by Mortgagee		106,893.84
Mortgages and Agreements for Sale:—		
Principal	2,668,078.56	
Interest due and accrued	80,330.02	2,748,408.58
Loans on Stocks and Bonds:—		
Principal	61,124.09	
Interest due and accrued	1,473.70	62,597.79
Bonds and Debentures and Interest:—		
Dominion of Canada and its Provinces	406,418.45	
Dominion Government Guaranteed	99,499.00	
Canadian Municipalities	23,676.44	529,593.89
Common and Preferred Stocks		50,142.02
Other Assets		4,007.14
Cash on Hand and in Banks		185,571.31
		$4,201,033.61

LIABILITIES

To the Public:		
Debentures and Accumulative Bonds	$1,602,636.86	
Interest due and accrued thereon	20,087.38	1,622,724.24
Deposits		1,005,920.77
Accrued for Federal Income Tax		6,030.04
Other Liabilities		2,958.40
		2,637,633.43
To the Shareholders:		
Capital Stock		
Authorized—20,000 shares, par value $50.00	$1,000,000.00	
Issued and fully paid	789,750.00	
Reserve Fund	700,000.00	
Dividend Payable—January 2nd, 1941	15,795.00	
Profit and Loss Credit Balance	57,855.18	1,563,400.18
		$4,201,033.61

NORMAN S. GURD, K. C., President. S. A. HYDE, Acting Secretary.

THE LAMBTON TRUST COMPANY, LIMITED

SARNIA, CANADA

BALANCE SHEET, DECEMBER 31st, 1940

ASSETS

Capital Account		
Real Estate held for Sale		$ 9,268.19
First Mortgages & Agreements for Sale		
Principal	$213,803.57	
Interest due and accrued	6,050.20	219,853.77
Bonds and Debentures		
Dominion Government Bonds and Interest ...	7,960.00	
Provincial Government Bonds and Interest ...	65,850.23	
Dominion Government Guaranteed Bonds and Interest	9,825.50	
Municipal Bonds	2,527.30	86,163.03
Cash in Chartered Banks		20,204.49
		$329,489.48
Estates Department		
Estates, Trust and Agency Funds		
Unrealized Assets	381,715.98	
Investments	47,177.21	
Cash in Banks	37,366.49	466,259.68
		$795,749.14

LIABILITIES

Capital Account		
Capital Stock		
Authorized 20,000 shares par value $50.00 each	$1,000,000.00	
Subscribed		
217 shares par value $50.00 each fully paid	10,850.00	
6080 shares par value $50.00 each 75% paid	228,000.00	
Capital Paid-In		$238,850.00
General Reserve Fund		50,000.00
Profit and Loss—Credit Balance ..		17,004.96
Accrued for Federal Income Tax...		3,634.52
Reserve for Investments		20,000.00
		$329,489.48
Estates Department		
Estates, Trusts and Agency Funds..		466,259.68
		$795,749.14

NORMAN S. GURD, K.C., President.

PROFIT AND LOSS ACCOUNT, DECEMBER 31st, 1940

Dividend No. 9 at the rate of 4% per annum	$ 9,554.00	Balance brought forward from year 1939	$ 16,814.98
		Premium on Sale of Capital Stock	55.00
Balance carried forward to year 1941...	17,004.96	Net earnings for the year after deducting costs of management and all other expenses	9,688.98
	$ 26,558.96		$ 26,558.96

Municipal Finances

Vancouver, B.C. — Collection of more than 91% of current tax levies in 1940 marks a slight improvement over 1939. Arrears collected stepped up more sharply and the total of current and arrears collected was more than 104% of the current levy. Current and capital loans were reduced in the year, nearly $700,000 having been paid into sinking fund.

* * *

Regina, Sask.—Biggest surplus on record is reported for the first 11 months of 1940. At the end of November, the surplus amounted to $139,314, as compared with the corresponding months of 1939, when a deficit of $32,895 was reported. Part of the surplus is earmarked for the redemption of $50,000 of power plant debentures at an estimated cost of around $39,000.

* * *

London, Ont.—Relief costs were reduced some $71,000 in 1940 as compared with the previous year. London's share of direct relief amounted to approximately $57,000 in the year as compared with $128,000 in 1939. Total payments for the two years, including the amounts paid by government, were $287,000 and $342,000 respectively.

* * *

Waterloo, Ont.—Collection of the the 1940 tax levy for the town of Waterloo, Ont., was 95.10% complete at the year-end, Treasurer N. G. Bolduc announces. This compares with collections of 94.5% in 1939. Total collections of current and arrears taxes amounted to 102.2% of the current levy in 1940; 100.1% in 1939. Tax arrears ended the year at $33,568 compared with $38,996 a year earlier. Bank loans were reduced in 1940 from $20,059 to $16,970.

Famous Players Stock Option is Extended

The option agreement under which N. L. Nathanson, president of Famous Players Canadian Corp., may purchase 11,000 common shares of the company at $16 a share has been extended and may now be exercised at any time to April 30, 1941. This is the second extension of this option which originally was exercisable in July, 1940.

The original agreement permitted Mr. Nathanson to purchase five blocks of 11,000 shares each. Up to the present he has taken up three of these blocks, leaving the portion of the agreement just extended, and another block at $17 a share to be taken up by July 15 ,1941.

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WHITE PINE PATTERNS

Machines have Parents, too!

"Pattern" and "Matrix", as the words themselves suggest, are the Father and Mother of each of the thousands of castings now being made in Canada . . . and any deficiency in either parent will be reproduced in the offspring, perhaps two thousand-fold! Naturally, then, pattern makers demand a material which can be carved easily into intricate forms, and which once fashioned will retain its exact shape; so, like all who need a workable, low-shrinkage domestic material, they are turning in ever increasing numbers to—

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ALL AROUND export experience, including Spanish and French translation and exchange board dealings, is available if you wish to invest in the honest endeavour of a young man giving satisfactory business service at present. Will you kindly communicate with Box 7, The Financial Post, Toronto, Ont.

FACTORY EXECUTIVE AVAILABLE

FACTORY executive already engaged, wishes to become associated with reliable organization in a higher administrative capacity.

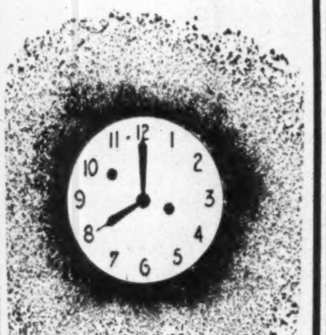
Has been connected with internationally known concern for several years as factory superintendent. Age 36, married.

Existing salary would not justify acceptance of another appointment with a yearly remuneration of less than $5000.00, although opportunity to broaden experience of primary importance. Private interview solicited. Write Box 11, The Financial Post, Toronto.

Capacity Extended By North Star Oil

North Star Oil, Ltd., has completed installation of a 650 bbls. a day Dubbs cracking unit at its refinery in Winnipeg. This brings total refinery capacity to about 1,700 bbls. daily. The company's present market requires the refinery to operate at about 1,000 bbls. per day on crude oil obtained entirely from Alberta.

A 2,500 barrel topping unit has been installed, together with a complete stabilization and absorption plant and treating equipment. New tank storage has also been built.



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Adequate stocks for immediate delivery are maintained at several points across Canada.

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ELECTRICAL CONDUCTORS OF EVERY TYPE

CANADA WIRE & CABLE Co
TORONTO MONTREAL

Bond Markets

Provincial Credit Hurt By Sirois Friction

Westerns Decline and New Issues Delayed as Ilsley Speech Brings Fear of Federal Pressure On Provincial Finances

Failure of the Sirois Report Conference to get past the soapbox stage has put a question mark against some $2 billions of Canadian provincial bonds. True, no action is at present being taken to fulfill the Report's recommendations. But Hon. J. L. Ilsley's references to possible extensions of Dominion fiscal measures can be taken two ways.

In the opinion of investors, Mr. Ilsley was either warning the provinces of the inevitable trends of war finance, or he was firing the opening gun of a campaign to squeeze the provinces into submission. Either interpretation appears to indicate that the provincial governments will have an increasingly hard scramble to make ends meet, but if the Federal Government intends to add to the provincial difficulties, bondholders will be the first to suffer. Investment opinions gathered by The Financial Post range from one extreme to the other, with the majority adopting a stand-pat attitude on the principle that so far nothing tangible has occurred to injure the position of the better grade provincials.

On the other hand, one or two institutional buyers have temporarily sworn off all provincial issues with the possible exception of Ontario, while some go so far as to view all but short-term Ontario issues with disfavor.

Initial effect of the conference failure was to lop three to four points off the quotations of prairie province obligations, taking prices close to the levels held before the conference was announced. Since the beginning of the year the average bid price of five Alberta issues has dropped from 66.50 to 62.60; of five Saskatchewan from 80.10 to 77.20 and of five Manitoba issues from 96.20 to 93.20.

* * *

New Issues Postponed

No substantial changes occurred in the bond prices of the remaining six provinces. However, the new Quebec issue was postponed shortly after the conference opened and no active steps are being taken to bring out the Ontario Hydro issue. With no new provincial issues coming to market it will be difficult to decide how accurately the present quotations reflect investor sentiment.

Most favorable angle to the Ilsley speech and its repercussions is that the partial closing of investment markets to provincial borrowers would stimulate provincial economy and remove competition for Dominion issues. Viewed in this light, the detrimental effect on provincial credit is a necessary evil in the gradual process of monopolizing the Dominion's investment capital for the war effort. The following figures show that in 1940 Dominion financing monopolized 85% of the Canadian bond market.

Canadian Bond Financing
(Millions of dollars)

	1940		1939	
	$	%	$	%
Dominion	1,179.9	85.4	404.5	49.2
Provincial ...	154.6	11.2	154.1	18.8
Municipal ...	18.2	1.3	26.7	3.3
Corporation ..	28.2	2.1	236.2	28.7
	1,380.9	100.0	821.5	100.0

* * *

Subsidy Stays

Defeat of the Sirois report probably means that the subsidy paid by Ontario to its municipalities will remain, according to E. A. Horton, Deputy Minister of Municipal Affairs. The subsidy, removal of which was specifically recommended in the report, was granted by the province in return for the surrender by the municipalities of the privilage of levying income taxes.

The amount of the subsidy is now fixed annually by Order-in-Council of the Ontario Government, usually some time between February and April. The payment was one mill on the municipality's assessment in 1940, 1½ mills in 1939 and one mill in each of the two preceding years. In all, the 1940 payment involved a disbursement of approximately $3 millions to the various municipalities.

* * *

Low Rates, Higher Costs

Continuation of the present trend toward lower interest rates would ultimately raise the cost basis on which life insurance premiums are calculated. Life company officers, in calling attention to low investment returns, also point out that current interest rates offer little incentive toward thrift on the part of small savers.

J. F. Weston, president of the Imperial Life Assurance Co., told the annual meeting that investment return to the company dropped to 4.25% in 1940 from 4.34% a year earlier. Yields of 3¼ and 3⅛% are not attractive from a life company's standpoint, or "even wholly sufficient to maintain in the future the net cost of insurance to the policyholder at as low a figure as in the past—particularly in respect of investment types of policies."

* * *

Bond Index

The D.B.S. index of long-term bond prices and yields has been altered to refer to a base derived from the five years 1935 to 1939, instead of the year 1926. On the new base, the index for the week ended Jan. 16, stood at 100.8, unchanged from the previous week. It was 3.4 points higher than in the same week of last year.

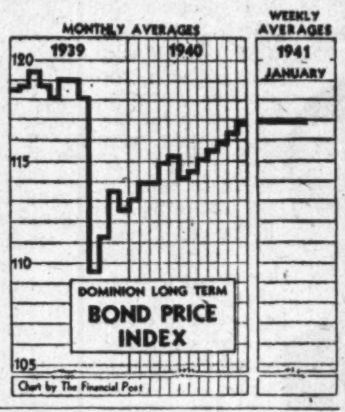
DOMINION OF CANADA
Long-term Bond Index

	Weekly average Jan. 10-16	Preceding week Jan. 3-9	weekly average year ago
Price	100.8	100.8	97.4
Yield ...	96.2	96.2	103.3

Silverwood Dairies Issue Authorized

Redemption of the existing 5% first mortgage bonds of Silverwood Dairies Ltd. and the issue of new 4½% bonds, was authorized by the recent meeting of shareholders and debenture holders in London. The new 4½% issue for $1.5 million was offered by Harrison & Co., Toronto, at the beginning of the year, subject to this authorization.

Call notices will shortly be forwarded to holders of the old 5% bonds at a price of 103 and accrued interest for the series A, 101 and accrued for the smaller series B issue.



Industl. Alcohol Profit Jumps

Net For Quarter Period of $100,105 Compares With $67,875

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. interim report for the three months period ended Nov. 30 shows substantial improvement in earnings over the same period in 1939.

Total income for the period of $218,902 compares with $137,036 in the previous year. This betterment was recorded entirely in the domestic field, the other sections of the company's business showing decreases from last year. Operating profit of the domestic organization totalled $199,880, against $113,460.

Net profit totalled $100,105 in the three months ended Nov. 30, 1940, compared with $67,875 in 1939. This was equal to earnings on the common shares of 90 cents and 61 cents, respectively.

Following is a comparative earnings statement:

Earnings Statement
Three Months Ended Nov. 30

	1940	1939
	$	$
Operating profit:		
Domestic	199,880	113,460
Foreign	....	3,352
Robert McNish	14,586	15,440
Misc income	4,436	4,784
Total income	218,902	137,036
Less: Sales & fees	9,293	9,167
Loan interest	2,610	....
Deb. interest	....	664
Depreciation	39,620	39,686
War risk ins.	6,888	....
Tax provision	60,386	19,644
Net profit	100,105	67,875

St. Paul Fire & Marine Net Premiums Rise

Net underwriting profit of the St. Paul Fire & Marine Insurance Co. in 1940 was $38,000 higher than in 1939, according to the annual report for the year ended Dec. 31. Net premiums written and unearned premiums also increased. An expansion in total assets was largely in holdings of bonds and stocks. Agents' balances due were also higher, but mortgages were down.

The amount carried forward from the underwriting and investment account was $1.9 million compared with $2.1 millions in 1939. The reserves for income tax depreciation and foreign exchange were increased. Policyholders' surplus was up $2 millions.

	1940	1939
	$	$
Net premiums	13,458,430	12,077,630
Unearned premiums	10,010,916	9,609,365
Assets	48,070,620	44,466,498
P'holders' surplus ..	33,063,261	31,070,534
Conflagration res. ..	750,000	675,000
Underwr. profit	959,616	921,476

Wellington Building Pays Bond Interest

Distribution of interest arrears on bonds of the Wellington Building Corp. will be available on and after Feb. 3, 1941, it is announced by the London & Western Trusts Co., receiver and manager. The payment to be made covers interest at the rate of 6½% for the period July 5, 1935—Jan. 5, 1936, and includes interest on this interest at the rate of 6½% from Jan. 5, 1936, to Feb. 3, 1941.

The bonds are of serial type, no coupon being dated later than Jan. 5, 1935. In order to receive payment, holders are instructed to present their bonds to the London & Western Trusts Co. to have the current disbursement endorsed thereon.

Receipts for the period April 1 to Dec. 31, 1940, were $67,089 against expenditures of $62,309, leaving a balance of $4,780. Balance on hand at the beginning of the period was $18,937, and balance carried forward amounted to $23,717.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Stand. Lime ...	*6%	1944	Feb. 1	102
Dom. Telegraph	†5½%	1978	Feb. 2	100

†Drawn by lot $4,300.
*$13,000.

JAMES S. DUNCAN

W. K. HYSLOP

MASSEY APPOINTMENTS—

James S. Duncan has been elected president of Massey-Harris Co., succeeding the late T. A. Russell. W. K. Hyslop has been elected vice-president of the company to fill the office formerly held by Mr. Duncan. Both Mr. Duncan and Mr. Hyslop retain their other titles, the former as general manager and the latter as general manager of United States operations. Mr. Hyslop has been acting in both capacities during Mr. Duncan's term as Acting Deputy Minister for Air.

In addition to his appointment as president of Massey-Harris Co., Mr. Duncan has been named president of the Toronto Board of Trade.

Conference Spreads Gloom in Markets

Repercussions of the Dominion-provincial conference shook the bond markets this week, reflecting the sentiment of investors that a show-down between the Dominion and provinces on the matter of revenue and capital priority is imminent.

Inconclusive results of the conference and the "or else" speech of Hon. J. L. Ilsley caused a weakening of provincial issues, particularly in the obligations of the provinces which would have benefitted most from the implementation of the Rowell-Sirois recommendations. This softening prompted, it is believed, postponement of the Quebec offering that was to have been made about this time.

Collapse Prompts Doubt

The failure of the conference and the vital issues of Dominion-provincial financial relations that it brought to the surface has caused a great deal of uncertainty, and not an inconsiderable amount of anxiety about the future of provincial debt.

The finance minister in well-measured words told the provincial delegates what the Dominion Government might have to do to finance this war. It might have to:

1. Invade the provincial fields of revenue, such as succession duties, increase rates in progressive taxes, such as the income levy.
2. Cut off the 40% grant to the cost of unemployment relief.
3. Withdraw aid to the provinces by which a number have been able to meet maturing issues in the past.
4. Ration gasoline and thereby reduce revenue from gasoline sales and automobile licenses.

Dominion May Invade Tax Fields

The finance minister stressed that the Dominion authority might not take these measures, but intimated that they might have to if the Dominion were to maintain its war effort at maximum.

Any arbitrary steps along this line are predicated upon the Dominion and provinces not being able to get together on any compromise financial arrangements.

If, and when, the Dominion Government is forced into such methods of obtaining revenue, outlook for provincial collections is substantially and critically altered. On the face of things it appears certain that there is not sufficient room in the taxation field and capital markets for the provinces to superimpose a "government-as-usual" procedure of conducting activities.

Violent Changes in Store

Judged on the basis of Mr. Ilsley's outline of war costs and the steps that might have to be taken, the conclusion is inescapable that the investor will have to revise greatly his concepts of government finance.

Mr. Ilsley highlighted a few of the things that are in the minds of the Government's financial advisers. War means expenditures by the senior Government of colossal proportions, which must be borne the hard way by the taxpayers of Canada.

$1 Billion For War

In the year ended March 31, 1941, war expenditure is estimated at $850 millions, less than the earlier $940 millions estimate. At the present time these costs are on an annual basis of $1 billion. This is about twice the size of the Dominion's largest total peacetime budget. It is larger than the combined peacetime total of all governmental expenditure in Canada, Dominion, provincial and municipal. In addition Canada is repatriating Canadian securities held in Britain, valued at not less than $300 millions this year.

When ordinary peacetime services of the Dominion Government are added to this total, all expenditure for a war year would be equal to 45% to 50% of total national income.

Crisis For 1941

The current year should eee the debt situation reach a head. Some rationalization of the situation may evolve, but the sentiment displayed at the Dominion-provincial conference augurs poorly for an immediate voluntary solution.

Fortunately for the provinces maturing debt this year is relatively light. But the Dominion requirements for war and refunding will reach record proportions. It is expected the summer war loan will be in the vicinity of $1 billion. Ruling out prospects for Roosevelt's lease-lend plan, the capital markets will be exceedingly tight in Canada this year for 3% money. With the Dominion committed to cheap money a provincial boosting of rates could bring competition into the market, a factor that would be extremely injurious to borrowing bodies.

Dominion War Priority

With Dominion priority recognized the provinces would have to limit financing to refunding operations only. Proponents of the Sirois plan cite as one of its principal objectives the vast consolidation of debt as a factor that would have contributed to a more manageable market.

The current year will show provincial budgets in a more favorable light than is really warranted. Revenue has resulted from fortuitous circumstances. Credit expansion policies of the Dominion Government and war-stimulated industry has expanded payrolls. This increased income is the result of national policies and the Dominion Government argues it should be channelled back into its treasury.

American Paper Index Shows Slight Decline

From Our Own Correspondent

MONTREAL.—Production rate in the paper industry, according to the American Paper and Pulp Association index of mill activity, stood at 88.4% in the week ended Jan. 11, compared with 84.9% in the preceding week, and 92.7% in the week ended Jan. 13, 1940. Production in the board industry was at 77% of capacity in the last week.

Surplus Netted By Montreal

Municipal Commission Supervision is Reflected in Half-year Statement

From Our Own Correspondent

MONTREAL.—City of Montreal reports a surplus of $457,141 for the first six months of the current fiscal year. This surplus resulted after the municipality had increased taxation, appropriated half of the previous year's surplus as revenue, and declared a moratorium on sinking fund installments and on interest payments on the city's bonds held in sinking fund.

In calculating the surplus, however, the city did take into consideration extraordinary expenditure, formerly financed by borrowing, of $1.1 million. These expenses were included in ordinary expenditure, a policy which the city will pursue in future.

Net Debt Declines

Finance Director Lactance Roberge reports net debt of Montreal of $207.4 millions, a reduction of $113,568 during the period. Funded debt amounted to $267.4 millions, a drop of $1.4 million.

Funded debt reported at Oct. 31 included $7 millions of issues matured between May 1 and Oct. 31, on which payment was defaulted.

During the six months period the Quebec Municipal Commission assumed control of the city's affairs. In the middle of May default on principal prompted the province to attempt to rehabilitate the finances of the city.

Bank Loans Drop

Temporary bank loans outstanding at Oct. 31 were $28.2 millions, a decrease of $1 million from those of Oct. 31, 1939.

Portion of surplus for 1939-40 appropriated for revenue for the six months period totalled $659,623. Moratorium on sinking fund payments and on interest charges for city bonds held by the municipality amounted to $2.1 millions. When Quebec Legislature imposed new levies to bring Montreal's budget nearer to balance, it was estimated that these additional revenues would come to $2.8 millions.

It is regarded as improbable that Montreal will raise taxation in the year beginning May 1 in view of the expected higher scale of Dominion taxes. While Provincial Treasurer Mathewson predicted that the municipal income tax would be abolished no official intimation has been given as to if and when this will be done.

Under the existing rate the municipality stands to gain because of the boosted Dominion rate. The municipal tax is 10-20% of the amount payable to the Dominion Government. It is believed that a graduated scale will be introduced.

★ HUMAN

When an estate comes into the hands of this trust company it is immediately placed in the care of an estates officer and becomes henceforth his responsibility. In other words, the family and other beneficiaries will deal mainly with a single human being, just as they would do if a friend or relative had been appointed executor. But whereas the private individual acting as executor must rely on his own judgment and on his own knowledge supplemented by the expert advice that he can get or buy on technical matters such as investments or taxation, the estates officer has at his back a permanent organization equipped and experienced in the work of handling an estate. Appoint this Corporation your executor.

The
TORONTO GENERAL TRUSTS
corporation
HEAD OFFICE: 253 BAY ST. UPTOWN: 36 BLOOR ST. W.

Brokers Favor Full Disclosure Of Facts on New Issues

Individuals should be given not a few but all the facts about a new issue before they are allowed to make a purchase, is apparently the consensus of opinion of various brokerage firms, according to a survey by the Toronto Better Business Bureau, results of which are now announced.

Of 130 firms circularized under the survey—including both member and non-member houses—66 firms submitted replies to the Bureau enquiry letter. This high proportion of returns is attributed to the widespread desire to secure greater investor interest in financing new enterprises. In answering the Better Business Bureau's questionnaire only three firms came out against a full disclosure of facts on the four points raised. Here is the query to the brokers:

Do you believe that individuals, prior to solicitation to purchase, are entitled to the following information?

1. Terms of sale of treasury shares by the company.
2. Cost to the company of the mining property.
3. Terms of release for vendors' shares.
4. A statutory copy of the company's prospectus.

To the first question, 49 firms said "yes," three said "no" with 14 other firms leaving the question unanswered. On the second question, 52 firms answered in the affirmative, three were against with 11 firms declining to indicate any fixed belief on the subject.

Fifty of the firms thought investors should be given terms of the release of vendor shares, three firms didn't think it was a good idea, and again 13 firms made no answer. Fifty-two firms wanted a statutory prospectus for clients, three didn't and 11 made no comment.

Object of the survey was to prove as conclusively as possible that not only investors but financial firms themselves believe a full disclosure of facts is in the best interests of securing a return of public participation in the financing of new enterprises, chiefly mining.

STYLED TO LEAD!.. BUILT TO LAST!..
Value News for 1941!

Illustrated—Special Four-Door Sedan

OLDSMOBILE 'SPECIAL' SIX

THIS YEAR choose the car *tailored to suit the tempo of the times*—Oldsmobile's "Special" Six—the car that puts you in the *big*-car class, the *fine*-car class, the *modern*-car class, at a price that still permits you to stay within your popular-priced-car budget! With its extra *size*—longer wheelbase, wider tread, roomier Fisher Body . . . With its extra *comfort*—wider rear seats and even finer Rhythmic Ride . . . With its extra *power* . . . its Styleader *beauty* . . . its inbred *quality* . . . And with Oldsmobile's sensational no-clutch, no-shift Hydra-Matic Drive now available on *all* models . . . This great Oldsmobile is the car for the farsighted buyer—"the car ahead", designed and built to give you year after year of modern motoring, yet priced right down to make 1941's biggest motor car value news! See it . . . *drive* it . . . at your dealer's today.

. . . WITH
HYDRA-MATIC DRIVE
"BUILT IN CANADA"

NO CLUTCH
NO SHIFT

More than a fluid coupling . . . even more than a fully automatic, 4-speed transmission . . . Oldsmobile's Hydra-Matic Drive is the world's first and only *combination of both*. It simplifies driving, steps up performance, saves gas. Try it now.

The Editorial Page . .

Putting It Up to the P. M.

With the return of Mr. Howe from England there may be an early decision as to the future of Federal Aircraft Ltd. Federal is the government company set up to assemble Avro-Anson training planes for the Commonwealth Air Training Plan.

It seems to be the unanimous opinion of executives of existing aircraft companies that Federal Aircraft is more of a hindrance than an aid in the working out of this programme.

The tragic failure of Federal Aircraft has been brought out in articles in The Financial Post. It was the end of November when The Post revealed the truth about the hold-up in training planes vitally necessary to the pilot training plan. Now other leading national newspapers are becoming critical. The Ottawa Journal urges Prime Minister King to look into Federal Aircraft for himself.

The Toronto Globe and Mail suggests that Federal Aircraft has "gummed up the works." It takes front page space to say "get rid of Federal Aircraft."

It, too, suggests that in the absence of Mr. Howe, the serious situation which exists is one that merits the attention of the Prime Minister himself.

There are some very able and important businessmen on the board of Federal. For their own prestige, as well as because planes are needed, they should welcome any action that will clean up an unsatisfactory situation.

Of course, Federal is only one phase of Canada's aircraft tangle. There is still no basic policy as to what kind of planes Canada should be making, and who in Canada should make them. The brand-new Malton plant of National Steel Car still remains largely idle. The situation has improved not one iota since The Financial Post brought out the facts in late November and early December.

The tragic plea is for "planes, planes, planes." And Ottawa takes no action to get Canada's aircraft industry into full production.

Kublai-Khan Tried It and Failed

Premier Hepburn's effort to explain what he means by "monetary reform" leaves his ideas still fairly vague. But that he proposes to pay for the war by printing money seems clear enough. The "programme" seems to distill itself down to two or three suggestions:

1. The Dominion to be "the sole creator of money."
2. The Government not to "hire or borrow" money at high rate of interest, except what might be regarded as "a reasonable service charge."
3. "An increase in the volume of money" to "take care of the expanding requirements of wartime."

As for the first suggestion, the last revision of the Bank Act took care of that. The right of the banks to issue their notes was taken away from them and they are retiring their outstanding notes according to plan. The only other body that has displayed ambitions to issue currency is the government of Mr. Hepburn's friend and monetary mentor, Mr. Aberhart, who will no doubt learn with joy that Mr. Hepburn thinks he should not have that right.

As for an increase in the volume of currency to take care of the expanding requirements of wartime, the existing monetary mechanism is looking after that very nicely, and has produced a very substantial increase in the volume of money to handle the increased day-to-day volume of business. Mr. Hepburn can confirm that for himself by looking at the statements of the Bank of Canada and the 10 chartered banks. If the volume of money has not increased in proportion to the increase in production in Canada it is because money is turning over more rapidly—or has Ontario's premier never heard of the "velocity" of money?

So all that is left of Mr. Hepburn's programme is to "create money" by printing currency and to use this newly created "real money" to pay for the war, rather than to borrow at current rates of interest.

What Mr. Hepburn proposes is, then, nothing but plain ordinary currency inflation.

* * *

Mr. Hepburn's facile formula has been tried a dozen times in history to pay for wars or peace. It has always resulted in disillusionment and hardship.

Deliberate printing press inflation—and its predecessor, clipping the coinage—are as old as the hills. It is amazing that men who discover this purse of Fortunatus, these schemes of monetary alchemy, do not read the history of previous inflations.

Did Mr. Hepburn never hear of Kublai-Khan's effort in 1287 to pass out depreciated currency on his people?

Did he never hear of John Law's money-raising schemes of 1719?

Did he never hear of the printing press inflation in the New England Colonies around 1700?

Did he never hear of what happened to the American attempt to pay for the war of 1776-1789 in exactly the same way he wants to pay for this war?

Did he never hear of the French assignats? Or even of the German mark inflation of 1923?

If Mr. Hepburn studied the history of his type of "monetary reform" he would find that all these previous efforts failed, and that the people were the sufferers.

* * *

There is hope that Mr. Hepburn will learn. For he says:

> "This war in which we are engaged is not being waged for money and its cost will never be expressed in terms of money. The real cost will be written in terms of human sacrifice. The sooner we realize this great truth the sooner will we bend every effort toward procuring what Britain sorely needs—munitions, planes, and ships, regardless of any monetary considerations."

There indeed is a statement rich in truth and significance. Guns and planes and ships are indeed not made of paper money. They are made by hard work and human sacrifices. For these there can be no substitute. If we work hard enough, and efficiently enough; if we do without things in our civilian life in order to use our material strength for war, we shall be able to win.

The war will not end for lack of money. But on the other hand we cannot speed its conclusion by so much as a day merely by printing money.

Editorials in Brief

A remarkable tribute to the stability of British institutions was paid by A. N. Mitchell, president of the Canada Life, at his company's annual meeting. Mr. Mitchell expressed the belief that despite war damage to British cities, their obligations remained, next to those of the central government, the strongest of all investments in the British Isles. He gave this notable illustration of the strength of these securities:

In December last, newspaper headlines told of the heavy bombing of Sheffield. Some time later the Canada Life received advice that an entire issue of £2 millions of Sheffield debentures had been called for redemption next June.

* * *

C. S. Macdonald, president of the Confederation Life, had convincing answers to two wartime financial questions, in his address at his organization's annual meeting.

Does the municipality which reduces its own debts help the war effort? Yes, said Mr. Macdonald, because "every dollar of municipal debt repaid releases another dollar for munitions and for the support of Canada's soldiers overseas."

Does the man who buys an insurance policy help the Government finance the war? Again Mr. Macdonald said "yes," because he is thus avoiding personal expenditure and is making money available for planes and guns. The life companies are the largest single class of subscribers to war loans. "The assets of our policyholders are in a very real sense 'fighting dollars,'" said Mr. Macdonald.

The same thought was emphasized by D. E. Kilgour, in his presidential address to the North American Life. "Every dollar invested by a life insurance company in a government loan is just as valuable to the country as money directly invested by individuals," he declared.

* * *

The tragedy of last week's Ottawa conference was not that the "Sirois" recommendations were summarily dismissed but that so many of Canada's political leaders came to the meeting with a narrow, local viewpoint.

Indeed, the words of Premier Godbout of Quebec stood out because they were so different from most of the other speeches. He said:

> "We come here as Canadians . . . If there is something in the national life of Canada which should be improved, we are ready to study with our fellow-Canadians any proposed means for improving it . . . On our part we do not take a selfish view for our own province only."

Any provincial premier should be proud to claim that he approaches his work as a "Canadian."

* * *

Premier Hepburn envies the ability of President Roosevelt to borrow at three quarters of 1%. And he says this is possible although there is no policy of inflation in the United States.

If Mr. Hepburn means deliberate monetary inflation he is right. There is no deliberate policy of currency inflation in the U.S.A. But the seeds of inflation have been sown, as every competent observer knows. They have sprouted, so far, only in one spot—the high-grade bond market. That is why the U. S. Government can borrow at negligible rates. The situation is not a healthy one; it is a portent of grave evil.

Prof. E. W. Kemmerer, of Princeton, says:

> "My own judgment is that for some time the forces working for inflation in this country have been more powerful than those working in the opposite direction."

* * *

An article on "The Great American Goof" in a recent issue of Coronet said:

> "It required an Act of Congress and the SEC to stop us from buying fake stocks to the tune of more than a billion dollars a year. but the SEC imprimatur does not guarantee safe stocks even today, so the danger isn't over yet. Tipster sheets from Canada have recently reappeared and so we may expect a few millions for more bathroom wallpaper."

A number of U. S. papers have published protests during the past year concerning the operations of the more unpleasant type of stock promoters in Canada. The publicity is bad, very bad for Canada. There is scope for much stricter enforcement of our security laws, particularly in Ontario, since Toronto seems to be the base of operations for many of the tipsters and illegitimate promoters.

* * *

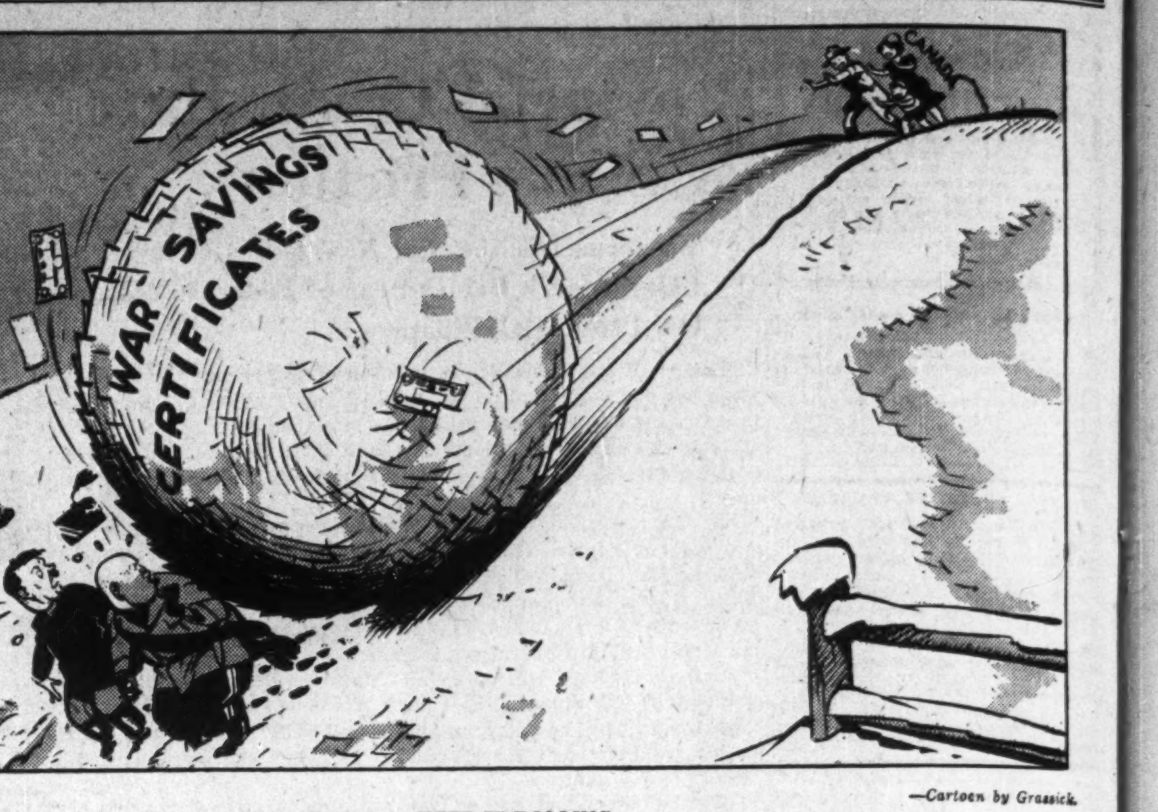
Canada will train its younger men and women for war production. But the problem of the older "unemployable" remains.

The Canadian Welfare Council points out that war demands do not take off the relief rolls people inadequately trained, unskilled physically, socially or mentally unadjusted or handicapped.

Council estimated that "would-be wage earners" still unemployed in Canada would probably run from 125,000 to 150,000; adults on urban aid still total over 100,000; applicants, unplaced in 82 employment offices to November total more than 81,000.

Council goes on to show, however, that at Vancouver and Winnipeg, and in several other private social agencies, numerous older workers, who had been long on relief, have been re-employed through intensive work. It points out that relief and social agencies have more time and opportunity to develop this work with the decline in general relief loads.

The Council hopes that the pressure for labor supply will force more vigorous and extensive programme for training, which will include salvaging and refitting of the older, idle worker as well as the apprenticeship for the youths.



KEEP IT ROLLING

—Cartoon by Grassick.

Post-Scripts . . . .

Brantford's Ryan

Bluff, genial John Patrick Ryan, Mayor of Brantford, much discussed for his sound inaugural address to the 1941 City Council and his enviable record as chairman of finance for the years 1938, 1939 and 1940, has found in municipal affairs both a hobby and a serious study. Not surprisingly, therefore, he has achieved noteworthy success as a civic administrator.

J. P. RYAN

"Jack" Ryan was born in Brantford and is proud of it. His father, plain Patrick Ryan, was direct from the Ould Sod—Tipperary, no less. He founded a printing shop which his son and successor has developed into a large concern. John Patrick Ryan became Brantford's youngest inhabitant on day in 1888. In due course he was educated in the local Separate schools and the Brantford Collegiate Institute.

A vigorous public speaker he was, like many a Brantford and Brant County man who has since achieved distinction, a graduate of the once famous Farringdon Debating Society. He became an alderman in 1932. Since then he has either been chairman of or has served on, every standing committee of the council. He unsuccessfully contested the 1937 mayoralty against the late Hon. M. M. MacBride, subsequently Premier Hepburn's Minister of Labor. In the same year, however, Mr. Ryan was honored by election as President of the Ontario Municipal Association, so his direct contact with civic affairs, instead of lapsing, broadened. In 1938 he returned to the council as chairman of finance, holding that post continuously for three years under the then Mayor, R. J. Waterous, now director of Material and Human Resources in Hon. J. G. Gardiner's Department of National War Services. When Mr. Waterous accepted his new post in September, 1940, Alderman Ryan was named Acting Mayor. He liked the job well enough to offer himself as a candidate for the office on the strength of his tax-reducing "pay-as-you-go" policy. The majority of the electors wanted Ryan as their Chief Magistrate and today he divides his time between his office in the plant of the Ryan Printing Company Ltd., of which he is Managing Director, and his office in the City Hall.

He is active in fraternal, sports, service and community organizations, has been for some years past a member of the Council of the Board of Trade, and is a director and shareholder in several local industries. He is married and has three charming daughters. His municipal affairs studies have taken him to departmental courses offered at the University of Western Ontario.

* * *

Chief High Eagle

In recent months, several associations or groups of people have launched "Buy a Plane" or "Buy a Tank" campaigns. Only one campaign, however, is believed to hold the distinction of being sponsored by a group of companies in a single industry. This is the Canadian Petroleum Spitfire Fund, sponsored by Clifton C. Cross & Co. with the pledged support of several oil companies.

CLIFTON CROSS

When the idea of a campaign to "Buy a Plane" was conceived in a branch of the organization, it found immediate endorsement of Clifton Cross, Calgary head of the Dominion-wide Cross organization. "Clif," as he is known to his friends, had the firm start the fund with $1,000 and since then several thousand dollars have been added by public subscriptions. To aid the fund further, Mr. Cross decided that all expenses in connection with the campaign would be borne by the Cross organization so that outside donations would go in full to buy a Spitfire—cost $25,000.

* * *

The way the campaign is being pressed is just another example of the energy and initiative of Clifton Cross, in many ways a very surprising man. In his late 40's, he seems young to have been the head of a firm operating successfully in the oil business for over two decades. He is remarkably free of the flamboyancy that many people attach to the oil business.

Although unassuming, Mr. Cross can number some interesting achievements. One of which he is justly proud is development of the net preferred oil royalty, the only type of oil royalty approved by the Ontario Securities Commission for sale in Ontario.

Last Christmas, Mr. Cross became Chief "High Eagle" when Chief Big Plume of the Sarcee Indians came to Calgary—with his squaws and nine dogs—to do the honors. Now Mr. Cross can wear his magnificent Indian Chief outfit at his self-sustaining dude ranch just out of Pincher Creek.

He is an amateur pilot but at the request of his business associates he usually lets a regular pilot ferry him on his trips to his dude ranch.

* * *

Vehicle Maker

James B. Highfield has been in the production end of the automobile industry for nearly 30 years. But 1940 brought him the biggest and toughest job of his career.

Intensive, genial, Jim Highfield is general factory manager of General Motors of Canada Ltd. As such he is the field marshal of a civil army of 6,000 men engaged in a vital phase of Canadian industry's war offensive.

J. B. HIGHFIELD

Under his command men and machines run 24 hours a day, seven days a week, to produce thousands of heavy duty field transport vehicles for the armed forces of Canada, Great Britain and other Empire nations. In addition to maintaining output of these military trucks and tractors at a rate of over 200 a day, and working toward the scheduled step-up of that pace, Mr. Highfield is responsible for an even larger production of passenger and commercial autos for civilian use.

* * *

Peak production at the main General Motors plant at Oshawa, near Toronto, is currently running about 400 units a day. Of this, mechanized military vehicles account for 214 units daily. These figures are exclusive of production at the western plant of General Motors at Regina, where 500 men also under Mr. Highfield's direction supplement the Oshawa output of autos for regular public needs. There are 6,000 men on the Oshawa payroll alone, and several thousand others operate in the G. M. engine and parts plants at Windsor and St. Catharines.

Even in peacetime, the job that Mr. Highfield manages single handed matches U. S. operations which require half a dozen top flight executives to direct. South of the border, G. M. runs separate assembly plants for each make of passenger car or truck. But in Canada similar varied operations are concentrated in the big works at Oshawa under Mr. Highfield's direction.

At the Oshawa factory 31 different models of four makes of passenger cars and 68 models of two lines of commercial trucks are produced or assembled. This multiplicity is complicated by a wide variety of combinations of trim and paint. When General Motors and other plants swung into wartime production at a steadily increasing tempo, the production range was expanded by orders for seven different models of army vehicles. Under pressure for both increased speed and larger volume of war output, production at Oshawa has been accelerated and will be widened further in the near future.

* * *

A native of Brantford, Ont., Mr. Highfield got his first job in the auto industry as a foreman at the Pierce Arrow plant in Buffalo in 1911. Within eight years he had become superintendent of the Buffalo Body Corp., and in 1921 was employed as assistant chief engineer of the American Body Corp., also in Buffalo.

He returned to Canada in 1926 as plant manager for the Canadian Top & Body Corp. at Tilbury, and two years later moved to the Chrysler Corp. of Canada plant at Windsor as assistant body superintendent. He entered the employ of General Motors of Canada in 1929, starting at Walkerville and moving to Oshawa in 1931 as plant manager of the truck division.

* * *

Plant By Installments

A. E. Cuthbertson, general manager, Harding Carpets Ltd. of Brantford, is very pleased with a new stainless steel dyeing machine of British manufacture now installed in his company's plant. This is the most modern and efficient dyeing equipment procurable.

Toward the end of last year he learned that the liner which brought the machinery across the ocean, though attacked by German raiders, had safely eluded gunfire and torpedoes.

But when the shipment arrived, it was found that part of the equipment was missing.

The liner had been obliged to sail hurriedly and had left a considerable amount of cargo, including part of the machine, on the dock at a west-coast port. Apparently when a ship is nearly loaded and word is received that enemy bombers are nearing the port, the vessel sails immediately no matter who or what may be left behind.

The rest of the machine arrived on a later vessel.

* * *

Stop Me If . . . .

"How nicely you have made your bed, sonny," said his mother one morning.

"I haven't made it," he replied. "I got out of it carefully."

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Other People's Views . . . .

The Canadian Editorial of the Week

A Pall of Silence

Family Herald and Weekly Star,
Montreal

A pall of silence lies over our Government. It is an indisputable fact that every Canadian Cabinet Minister is working desperately hard at his own part of Canada's war effort. But it is equally indisputable that individually and collectively they are completely failing in one of their most important duties.

For they are not taking US into their confidence. They are not telling US what we should do—and why, and when. They are not—in spite of occasional generalized exhortations, giving US definite, helpful, inspiring leadership.

And it is WE who must win the war—WE, the people, the farmers, the workmen, the taxpayers. No Cabinet Minister, however desperately hard he works, however much he burns the midnight oil, however deeply he himself may be inspired with patriotism, can do even his own individual job properly, without the active support and co-operation of those millions of Canadians who must do, and pay for, the things he plans.

The pall of silence which has covered our war efforts since Parliament rose is NOT the inspiration and encouragement we need, and which our patriotism deserves.

It does not even bring to Cabinet Ministers themselves the reward they deserve in public approbation and support.

Silence is NOT golden in this crisis—it is merely a deadening pall. Canada needs speech — golden speech. Canada should not have to look to Churchill or Roosevelt for its only inspiration.

* * *

As Others See Us

Hard Up For Money?

Kingston Whig-Standard

Is Toronto University so terribly hard up for money that it has to accept $10,000 for special research work from a man known to be an intimate friend of Hermann Goering, and one who is suspected of having his finger pretty deeply in the European pie at the moment?

The Financial Post has thrown the spotlight on the activities of Axel L. Wenner-Gren, a Swedish arms magnate. After reading all about this man we feel that it is rather humiliating for the Provincial University of Ontario to have to accept $10,000 from him to further research work. There may be nothing actually wrong with Mr. Wenner-Gren, and Dr. Cody may feel sure that there are no strings to the gift. But is Toronto University so hard up that it has to metaphorically kiss a Swedish arms manufacturer smack on the lips because he has given it a measly $10,000? In our opinion Ontarians would feel much prouder today if Mr. Wenner-Gren's offer had been turned down.

* * *

New Plants For Britain

American Business, Chicago

An American newspaper correspondent just back from Europe puts the loss through bombing of British production at 20% as compared with 30% in Germany. Perhaps this correspondent may be indulging in wishful thinking. But it is plain Britain is going to have to rebuild much of its industrial plants, and these new plants we may be sure will be equipped with the very latest low-cost production equipment. That is of interest to businessmen here. So is the suggestion made by The Financial Post, of Toronto, that these plants be rebuilt in bomb-proof Canada. "In that way," the Toronto financial journal points out, "we can at one stroke help win the war and lay the foundation for a better empire."

The proposal from a long range British standpoint is attractive, but we don't quite see how transplanting these plants to Canada, even if the man power were sent over to operate them, would help win the war. It is our understanding that the docks of Montreal, Quebec, and Halifax are already piled high with war materials waiting bottoms to England. High British officials tell us that keeping the sea lanes open is a most baffling problem for which American help is sorely needed. Just how, then, would Canada propose to ship the products of the transplanted British factories to England? The answer to Britain's problem it would seem to us on this side of the border is to rebuild these British plants in bomb-proof factories within the United Kingdom. Expanding Canada's industrial plants by the importation of British labor, would at once increase the drain of the war on the British treasury and make an already bad transport problem just that much worse.

Whether these new British plants are built in Canada or in Britain, they constitute a definite challenge to American business. We will have to compete with them in after-the-war markets.

* * *

The Mail-box

Two Houses: $18,457.50

Editor, The Financial Post,

I am enclosing a clipping from the Nelson Daily News dated Dec. 31. It seems strange that the Government would carry on in this way while they are asking me to save and deny myself everything so that I can dig up more money to carry on the war. My house, perfectly good enough for anyone, cost me $2,000, and $150 built a garage big enough for two cars. When is this kind of thing going to stop? Such extravagance. The publicity has certainly hurt our cause in this district.

HAROLD KIMBALL,

Nelson, B.C.

Editor's Note: The enclosed clipping reported the construction of two houses for married employees at the Federal Government radio beam station at Crestova at a total cost of $18,457.50.

* * *

Brief Excerpts from Letters

John Dean, Victoria: Hitler has stated in effect that a German paper mark shall be a world standard of value, supplanting gold. Gold and diamond products are the premier lures in mining, especially in Africa, possession of which has been a political bone of contention with Germany for a considerable period. If by fiat of Hitler gold becomes unnecessary, the major lure of gold is eliminated and Africa is not worth fighting for.

Logically it appears that Hitler would destroy the value of what he is fighting for, a sure indication of insanity.

* * *

What the Papers Are Saying

Mr. Hepburn, Note

Prof. E. W. Kemmerer, of Princeton University

We hear much about "controlled" inflation—as if inflationary forces could be turned on and off by the government at will. Yet history shows that inflation, once started in a capitalistic economic system like our own, is the most difficult tide in the world to control. The resort of a nation to financing by inflation has aptly been compared to the resort of an individual to opium smoking: the first sensations are pleasant, but the more one takes, the more one wants; the appetite grows by what it feeds on, and the more one indulges, the weaker become his powers of resistance.

There have been many instances in history in which for substantial periods of time — in some cases running into many years—inflation was moderately well controlled, but never, so far as I know has an inconvertible paper money standard been an enduring success.

Sooner or later it breaks down with disastrous results, under the pressure of politicians for increasing government funds by borrowing rather than by taxes, so as to avoid unduly antagonizing the voters.

* * *

Backfire

Vancouver Province

If only the fire power of the Bren guns for our armaments is equal to the backfire power of the Bren gun contracts.

* * *

Who Said This?

Winnipeg Tribune

Here is a quotation that has a familiar ring:

> "The British nation can be counted upon to carry through to victory any struggle that it once enters upon, no matter how long such a struggle may last, or however great the sacrifice that may be necessary, or whatever the means that have to be employed."

Who said this?

Was it Pitt, for example?

Or Winston Churchill?

No.

It was written by an Austrian, Adolf Hitler, in a book called Mein Kampf.

* * *

Province of Alberta Loans

Truth, London

Substantial help, both of a financial and military nature, has been freely given to Great Britain by Canada since the outbreak of war, and the importance of this help goes beyond the actual amount of money, munitions and men that have been sent. It is rather a pity, therefore, that an important Canadian province, Alberta, does nothing to remove the blot cast upon its good name by the attitude of the Government toward certain sterling loans. Alberta may contend that there is no actual default, but the Government still refuses to pay the full interest on these loans to which the stockholders are entitled.

Although the Federal Government of Canada can intervene when questions of currency are concerned, apparently it cannot prevent a province from acting dishonestly to its external bondholders. For the sake of the credit of the Dominion it would be a good thing if legislation were introduced to prevent a repetition of the Province of Alberta episode.

* * *

Sayings of the Week

You're not going to offend me by coming to my door or ringing me on the telephone and telling me that I've gone off half-cocked. I want your honest criticism and advice. I shall welcome them." — *Mayor Arthur J. Reaume, of Windsor.*

* * *

"There is a truth which dominates every other, a truth which must be cried each morning from the house-tops: England fights for us all."—*Jules Romain.*

* * *

"In this war we must never be satisfied with what we are doing, and no one can do too much. Let us be rebellious against waste and inefficiency."—*Capt. Harold Balfour, British Undersecretary for Air.*

* * *

"We cannot permit ourselves the luxury of fighting among ourselves and at the same time fight Hitler with all we have."—*Sir Walter Citrine.*

* * *

"It makes a vital difference to the United States which side prevails in the present conflict. I refute the statement that our national security is not involved in a British defeat."—*Wendell L. Willkie.*

* * *

"The great problem of democracy is to organize and to use its strength with sufficient speed and completeness."—*Secretary of State Hull.*

* * *

"The creation of new money by adventitious means such as through printing currency . . . is wholly inflationary, and in the end can only lead to disaster." —*D. E. Kilgour, president North American Life Assurance Company.*

* * *

"Canada is just beginning to realize that we must save if we are to win this war. But it is the duty of governments, as well as individuals, to contribute to saving."—*Harvey R. MacMillan, chairman, Wartime Requirements Board.*

Week in Business

Income Tax Payments Affect Business

First Installments Under New Plan Divert Many Dollars From Trade — Conference Breakdown Disappointing

First payments of the personal income tax under the eight-installment plan allowed by the Government this year are diverting a substantial amount of money away from business. Payments already, it is understood, have been heavy and indications are that the majority of people are taking advantage of the plan to spread their payments over eight months. The first payment may be either one-twelfth or one-eighth of the total tax payable.

Revenues from personal income tax in the fiscal year 1939-40, the last for which figures are available, totalled $45.4 millions. Mr. Ilsley last June estimated the new personal income taxes would bring in an additional $58 millions. This indicates that approximately $103 millions, probably more, will be paid in income taxes in the eight months beginning with January. If the first payment is one-twelfth, almost $9 millions will be diverted from business this month. The actual amount will probably be more as the increase in employment and national income is probably larger than anticipated.

Preparations will also be made to meet further payments in succeeding months. In some quarters it is believed the effect of tax payments on business will be more noticeable in January than in succeeding months as the psychological effect may subside after the first payment or two is made.

* * *

Current business as usual in January is quiet although the total volume compares favorably with that of previous years. Merchants say it is difficult to say how much of the let down is due to income tax payments and how much might be looked for in a normal year. Special sales, however, are stated to be meeting with satisfactory response.

The drive on war savings is another element that may affect business by diverting money which otherwise might be used for the purchase of household and personal conveniences.

At the annual meeting of the Confederation Life Association, V. R. Smith, general manager, stated that if people unduly use their higher incomes to increase purchases of non-essentials requiring labor, materials or foreign exchange required in the war effort, "such buying would actually hamper the war effort and impede the winning of the war. Indeed it would mean increased prices for a lesser amount of goods, always the beginning of inflation."

* * *

Business generally is disappointed at the results of the Sirois report conference.

It had been hoped that some decisions would have been reached tending to ease the burden of taxation and by adjustment of jurisdiction put the Dominion generally in a better position to deal with post-war problems. It is possible failure to deal with the report will mean a delay in dealing with these matters till after the war.

Business Indicators

Current business active with D. B. S. index higher than previous week and well above last year.

The Financial Post Business Index for December 14% above 1939, but slightly below preceding month.

Railway carloadings and gross traffic earnings for second week of January higher than in previous week

Automobiles—Output of passenger cars in December slightly above 1939. Truck production more than doubled.

Newsprint production for December and 1940 substantially above preceding year.

Lumber exports jump. Total for year up 16%.

Cotton consumption shows sharp sharp rise. Total for year up almost 50%.

Cigarette consumption in 1940, 6% above 1939.

Life insurance sales for all Canada decline 0.9% in 1940 from previous year.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus•.

TREND OF BUSINESS—	Jan. 11	Jan. 4	Dec. 28	Dec. 21	Jan. 13/40
Weekly index of business, D.B.S.	107.8	107.7	107.3	109.6	104.2
Commodity prices index no.	84.3	84.3	84.2	84.2	82.2
	Dec.	Nov.	Oct.	Sept.	Year Ago
•The Financial Post business index	*150.1	153.4	151.7	147.4	129.0
Retail sales index no.	....	95.7	93.9	90.9	83.7
•Dept. stores sales index no.	101.1	98.1	92.3	89.2	89.0
Wholesale sales index no.	....	122.6	133.8	124.2	107.8
Country store (% change pr. yr.)	....	+15.4	+3.6	—10.7	—2.1
EMPLOYMENT INDEX Nos., D.B.S.	Dec. 1	Nov. 1	Oct. 1	Sept. 1	Year Ago
All industries	139.1	139.2	136.2	131.6	122.7
Manufacturing	144.7	144.6	143.8	138.4	122.2
Wage earners, no. 000's	....	....	2,867	2,805	2,545
Living costs weekly budget	....	$18.14	$17.87	$17.82	$17.77
			Jan. 1 to date		%
RAILWAYS	1940-41	1939-40	1940-41	1939-40	Change
•Carloadings (week Jan. 11)	51,703	46,575	94,839	85,433	+11.0
•C.N.R. gross (week Jan. 14) $	4,795,037	3,741,181	9,217,926	7,361,345	+25.2
•C.P.R. gross (week Jan. 14) $	3,305,000	2,637,000	6,445,000	5,071,000	+27.1
C.N.R. net revenue (Nov.) $	5,524,224	4,974,604	38,733,861	17,080,805	+126.7
C.P.R. net revenue (Nov.) $	5,072,617	5,592,275	30,833,231	24,141,850	+27.7
IRON AND STEEL—Nov.—					
Pig iron production (tons)	109,576	87,822	1,058,417	861,562	+60.0
Steel ingots and castings prod. .... (tons)	176,113	147,182	1,825,752	1,234,765	+48.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Nov.)	7,622	7,613	92,992	82,250	+13.1
•Factory output .. (Dec.)	11,653	11,491	110,126	108,806	+1.2
Trucks and Buses:					
Domestic sales* .. (Nov.)	1,525	1,601	27,005	22,653	+19.2
•Factory output .. (Dec.)	11,711	5,487	112,858	46,510	+142.7
Financing:					
Used .... (Nov.) $	2,931,998	2,397,918	39,035,790	32,725,275	+19.8
New .... (Nov.) $	2,538,480	1,908,245	30,766,203	25,742,344	+19.5
CONSTRUCTION—					
Contracts awarded . (Dec.) $	16,918,300	9,429,200	346,009,800	187,178,500	+84.8
Cement prod., bbls. (Sept.)	909,000	852,000	5,528,804	4,424,691	+24.9
AGRICULTURE—					
Flour prod., bbls. .. (Nov.)	1,588,428	1,960,429	15,178,883	15,287,008	—0.7
Flour exp., bbls. . . (Nov.)	682,718	572,810	6,625,291	4,439,458	+49.2
•Wheat exp., bush. .. (Nov.)	17,278,000	20,635,000	127,407,700	128,491,939	—0.8
Cattle sales▲ .... (Dec.)	86,728	72,143	1,149,255	1,081,976	+6.3
Hog sales▲ .... (Dec.)	785,335	432,805	5,590,366	3,701,061	+51.0
SEA FISHERIES—‡					
Catch cwts. .... (Nov.)	898,400	735,100	10,348,650	9,133,850	+13.3
Landed value ...... (Nov.)	892,800	777,400	16,843,800	15,884,050	+6.0
NEWSPRINT—					
•Production, tons ... (Dec.)	252,897	240,656	3,418,803	2,869,266	+19.1
Exports, tons ...... (Nov.)	276,586	253,997	2,979,336	2,403,432	+23.9
MINING AND OILS—					
Coal prod., tons ... (Nov.)	1,822,563	1,740,879	15,787,856	14,206,872	+11.1
Coal imports, tons . (Nov.)	1,479,922	1,947,631	16,723,995	12,726,947	+31.3
Gold prod., fine oz. (Oct.)	467,441	433,086	4,402,782	4,234,846	+3.9
Crude oil prod., bbl (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
•Crude oil imp., bbl. (Nov.)	4,800,084	4,117,100	40,203,054	35,517,600	+13.2
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	2,524,860	2,601,536	27,495,907	25,815,272	+6.5
FOREIGN TRADE—♦					
Imports .... (Nov.)	102,283,687	84,561,211	979,648,243	678,946,196	+44.2
Exports .... (Nov.)	118,404,151	98,490,366	1,094,506,932	833,948,985	+31.2
OTHER INDUSTRIAL FACTORS—					
•Dressed lumber exp.: 1,000 bd. ft. . . . (Dec.)	190,249	150,312	2,451,638	2,113,206	+16.0
Shoes, prod., pr. ... (Nov.)	2,230,387	2,623,356	24,216,363	23,230,257	+4.2
•Cotton consump., lb. (Dec.)	16,182,308	13,922,497	191,295,405	128,762,233	+48.5
•Raw rubber imp., lb. (Nov.)	11,311,687	3,363,319	97,452,005	63,994,328	+52.3
•Cigarette cons. No.† (Dec.)	574,837	512,380	7,571,841	7,126,192	+6.2
Sugar manufactured .. lb.‡	164,005,409	190,390,511	1,050,570,832	999,510,880	+5.1
FINANCE—					
Bank debits† .... (Nov.) $	3,049,322	2,930,346	31,229,127	28,560,485	+9.3
Bond sales† .... (Dec.)	326,704	72,719	2,277,999	1,441,751	+58.1
•Life insurance sales (Dec.) $	33,727,000	34,759,000	365,217,000	368,726,000	—0.9

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. ‡For four weeks to Nov. 30, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants.
New items for week marked •

Rail Earnings Spurt Second Week January

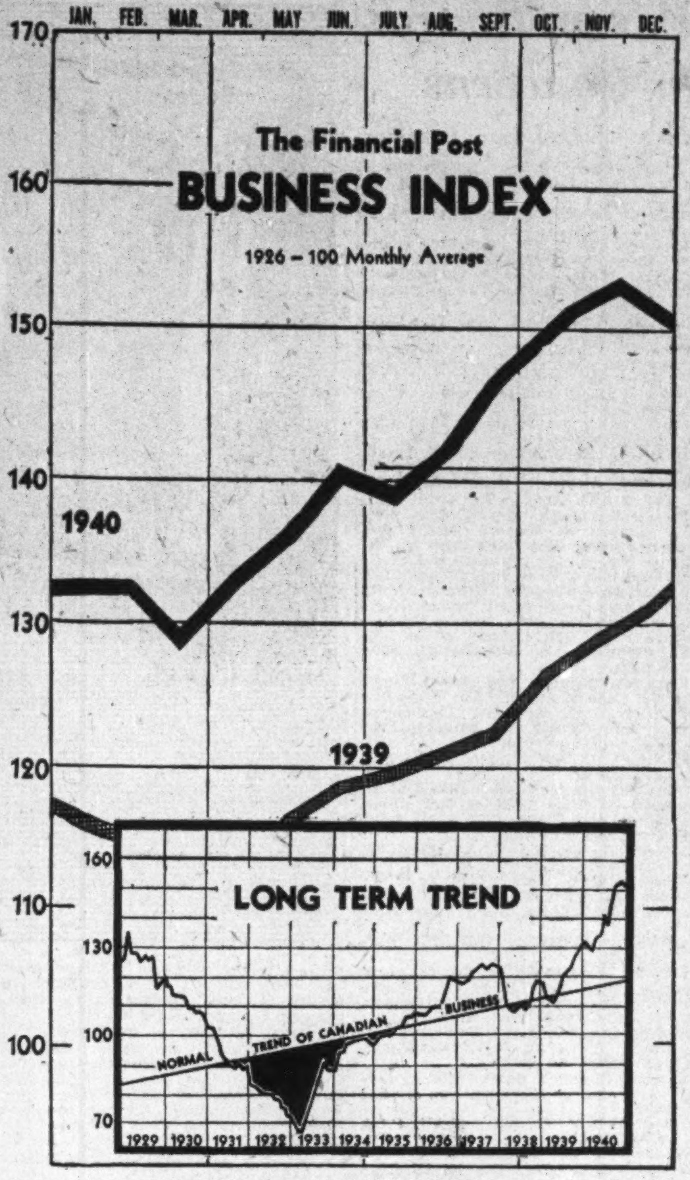
From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic receipts in the week ended Jan. 14 of $3.3 millions, an increase of $668,000, or 25.3% over the same week last year.

Cumulative gross earnings in the first two weeks of 1941 totalled $6.4 millions, an increase of $1.4 million, or 27.1% over the same two weeks last year.

Gross revenues of Canadian National Railways in the week ended Jan. 14 totalled $4.8 millions, an increase of $1.1 million, or 28.2% over the same week last year.

In the year to Jan. 14, cumulative gross earnings totalled $9.2 millions, an increaseof $1.9 million, or 25.2%.



BUSINESS ABOVE PREVIOUS YEAR—

While business operations in December were slightly less active than in the preceding month, they were well above the level of the previous year. The Financial Post Business Index for December was 14% higher than for the same month of 1939. Butter production was lower than in November but higher than in December, 1939, as also were lumber exports, construction contracts awarded and newsprint production.

Major Economic Factors

	Dec. 1940	Dec. 1939	Increase + Decrease — %	Nov. 1940
F. P. Business Index**	*150.1	131.2	+14.4	153.4
Common stocks**	77.1	101.2	—23.8	81.7
Bank deposits**	134.4	135.3	—0.7	131.6
Gold receipts .... fine oz.	415,065	417,483	—0.6	456,230
Silver shipments .... fine oz.	1,515,441	1,608,293	—5.8	1,030,386
Asbestos exports .... tons	15,623	24,025	—35.0	14,745
Sugar manufactured .... lb.	164,005,409	190,390,511	—13.9	174,045,529
Cheese factory production ...... lb.	1,753,590	2,528,915	—30.7	5,950,133
Butter, creamery production ... lb.	12,192,243	11,901,177	+2.4	15,001,167
Newsprint production .... . tons	252,897	240,656	+5.1	282,344
Planks and boards exported . . M ft.	190,249	150,312	+26.6	231,532
Shingles exported .... squares	83,744	42,076	+99.0	163,766
Cotton consumption .... lb.	16,182,308	13,922,497	+16.2	16,236,970
Cigarettes released .... no.	574,837,242	512,379,837	+12.2	686,867,698
Cigars released ... . no.	16,865,691	13,210,380	+27.7	17,225,386
Carloadings .... no.	231,271	199,862	+15.8	259,208
Constr. contracts awarded .... $	16,918,300	9,429,200	+79.4	54,981,900

*Preliminary. **1926=100.

Urges Expansion In Dairy Output

Montreal Provision Head Sees Huge Demand for Products This Year

From Our Own Correspondent

MONTREAL. — Effort to stimulate dairy production in Canada in the current year was advocated by K. H. Olive, president of the Montreal Provision Trades Association, at the annual meeting of the association.

K. H. OLIVE

There will be an extra demand for Canadian dairy products, domestically and for overseas in 1941, according to Mr. Olive. The contract for cheese with the British Ministry of Food will necessitate increasing output to meet the United Kingdom demand. An expanding domestic consumption will be experienced for practically all dairy products.

Demand for Milk Raised

The need for increased milk production is apparent, and unless it is forthcoming, Canadians may be required to curtail consumption of dairy products in order that the United Kingdom demand may be supplied.

Canada has contracted to supply a minimum of 112 million lb. of cheese in the year beginning April next, and the Ministry of Food will be prepared to take any additional quantity which can be produced. Fulfilment of this agreement will entail a shipment of approximately 15 million lb. of cheese more than that shipped during the year ending March 31. This additional quantity of cheese is equivalent to 172.5 million lb. of milk.

The following officers were elected for the current year:

K. H. OLIVE, president.
E. H. HODGSON, first vice-president.
JOHN FREEMAN, second vice-president.
J. E. LUSSIER, treasurer.
E. LORNE TRACEY, secretary.
J. E. CREGAN, H. G. GROUNDWATER, A. J. McDONALD, members of the executive.

Great Lakes Canal Traffic Near Peak

Total Cargo Tonnage for 1940 Up 22.6% From Previous Year

From Our Own Correspondent

MONTREAL. — Traffic through canals of the Great Lakes in 1940 reached the highest level for many years. Tonnage exceeded that of 1939 by 22.6%.

A new all-time record for cargo tonnage was established at the Welland Canal Largest movement through the Sault since 1916 was experienced. The Dominion Bureau of Statistics shows that 110.2 million tons of cargo passed through the three Great Lakes canals.

Grain movement was generally light through the St. Lawrence Canal, and this factor, combined with the small movement of woodpulp and gasoline, resulted in a decrease of 10.4% passing through this water artery during the year.

Iron and Coal Cause Rise

Iron ore and coal movements were chiefly responsible for the sharp gain at the Sault and substantial increase at the Welland Canal.

Tonnage passing through the St. Lawrence Canal during 1940 totalled 7.5 million tons, against 8.3 million tons in 1939. Tonnage passing through the Sault St. Marie canal totalled 89.9 million tons, compared with 69.8 million tons, and 12.9 million tons passed through the Welland Canal in 1940, against 11.7 million tons in the preceding year.

The Bell Telephone Company of Canada
CAPITAL STOCK

These shares now offered form part of the securities formerly held by residents of the United Kingdom, later vested in the British Government, and now offered for sale in Canada.

The proceeds from the sale of these shares will be used in Canada by Britain for the purchase of war material.

Price: $158.50 per share net; yield 5.05%
Present Annual Dividend $8.00 per share

Descriptive circular gladly furnished upon request.

McLEOD, YOUNG, WEIR & CO.
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Metropolitan Building, Toronto

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Correspondents in New York and London, England.

Keeping Posted . . .

By JOHN C. KIRKWOOD

The term, "Behind the Counter," may some day become puzzling to those who hear it or come across it in their reading—this because counters would seem to be on their way out in all classes of retail stores. Particularly in modern grocery stores has the old-type counter almost disappeared. Where it remains is in the meat department and it is less a counter than a refrigerated showcase. The new idea is open shelves and self-service, and this new idea is being employed increasingly in hardware stores, men's wear stores, drug stores and many types of specialty stores. Customers seem to like to have freedom to serve themselves.

JOHN C. KIRKWOOD

Another "trend" in retail practice is the curtailment, by both grocers and druggists, of unprofitable deliveries. In Toronto, reports Drug Merchandising, druggists have adopted a voluntary scheme of discontinuing deliveries after 10 p.m.

* * *

Bulls By Air

A most interesting article in the January issue of Canadian Aviation tells of the largest air-freighting contract ever awarded to a Canadian commercial flying company—Canadian Airways. This company undertook to carry a wide variety of freight to a place somewhere in northeastern Quebec. The southern camp site and base were located on a large lake. All freight, passengers, supplies, gasoline, oil, and such things, had to be transported by truck from the nearest railhead to the end of the road. The problem of freighting the horses was rather baffling. It was finally solved by putting them to sleep. Four live bulls had to be flown. They were well packed in with hay so that they could not move around in the airplane cabin. Another problem was that of getting a 20-ft.-long boat, four-feet beam and weighing 1,600 lb., aboard the plane; another, getting on the plane tractors whose caterpillar treads weighed 1,200 lb. apiece and an engine weighing 2,700 lb. Two pieces of a shovel weighed over 4,000 lb. apiece.

It's a lively story which Sidney J. Woodham has told about this freighting contract.

* * *

Monster Issue

When B. G. Newton, manager, Technical Papers division of The MacLean Publishing Company, wrote me to say that he was sending me a copy of the Annual Directory Number of Canadian Machinery he did not try to hide his elation over this particular issue. Here's what he said: "In due course of time a truck will deliver to you a copy of the Annual Directory Number of Canadian Machinery. This is the largest issue we have ever turned out—it is the largest trade or technical paper ever issued in Canada. If your copy of this directory number crowds you in your office let us know and we shall send the truck for it." It wasn't the postman who brought this monster issue to me, but a post office van, so it wasn't just exuberance of fancy and language—that statement that my copy would be delivered by a motor vehicle.

This record-breaking issue of Canadian Machinery has 456 pages and a cover. It has been used by upward of 400 advertisers. It has 42 pages, 4 columns to the page, of a directory of sources of supply, listing all Canadian, British and American firms selling equipment and supplies in the Canadian market.

Canadian Machinery estimates that 95% of the available capacity of industry in Canada was in use in October, and since then many plants have been and are being enlarged and dozens of large, new factories are being built. Some 70 companies are now engaged in the production of munitions and 44 in the production of gauges, while the output of aircraft has been expanded considerably.

* * *

A Success Story

A story of success is contained in a 24-page booklet written by H. T. Hunter, president, The MacLean Publishing Company. Its title is a happy one — "Words Are Everybody's Business." It is the story of the amazing growth of the publishing business founded by Colonel John Bayne Maclean in 1887, whose explanation of the growth of his enterprise is contained in this pregnant sentence, "We have made our success by making other people prosperous."

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JUST MARRIED
15-710

A Metropolitan policyholder gets married.

There is a birth in the family of a policyholder.

A son begins to support himself.

When Circumstances Alter Cases

When you buy a life insurance policy, just as when you buy anything else, you want to spend your dollars in the wisest possible manner.

Metropolitan also wants you to do this. That is why its agents are given continuous training in how to help you select the kind of life insurance that best fits your needs. Moreover, through the agent you have access to the counsel and advice of Home Office and Head Office experts.

But the insurance programme that fits your needs today may not fit your needs tomorrow. Changes in your income, or in your family obligations, make it advisable for you to review your life insurance programme from time to time.

Suppose, for example, a policyholder gets married, or there is a birth in a policyholder's family. Each may call for a change of beneficiary in present policies, and perhaps the addition of new policies.

Or again, a policyholder gets an increase in salary. This may mean that he should expand his life insurance programme.

Another policyholder's income may be reduced due to unemployment, a business reversal, extended illness, or new and unexpected expenditures. In some cases, his insurance may be rearranged on a more modest basis. In other cases, it may be possible to help him keep his present insurance programme by changing his premium payments to more convenient intervals.

Decreases in responsibilities sometimes suggest changes, too. Daughters marry, a beneficiary dies, a son begins to support himself, or an older policyholder decides to retire. In almost every case, it is advisable to review the manner in which the insurance money is to be paid.

These are only a few of the countless problems that develop in the families of Metropolitan's 29,000,000 policyholders.

As such problems arise, your Metropolitan agent is always ready to help you solve them, and to give you the benefit of special training and experience. In fact, Metropolitan maintains at the Home and Head Offices, a number of departments especially equipped to assist the agent in keeping your insurance programme fitted to your needs.

In just one of these departments, a group of experts is kept busy, day in and day out, considering more than 4,000 proposed changes and adjustments each week in Ordinary policies alone. In another department, more than 4,200 proposals affecting Industrial policies are considered each week. Metropolitan makes more than 11,000 changes of beneficiary each week, and more than 75,000 so-called transfers, occasioned by changes of address and other causes.

These are only a few of the many types of changes which Metropolitan is called upon to consider. If you are a Metropolitan policyholder, we urge you to keep the Company informed of any changes which may arise in your insurance needs. It is especially important to inform the Company promptly of changes in your address, so that your Metropolitan agent may keep in touch with you and give you the benefit of his services.

For, as a Metropolitan policyholder, you are entitled at all times to the advice and help of your agent, without obligation.

A business promotion or salary increase.

MR. J. SMITH
MANAGER

An older policyholder decides to retire.

This is Number 33 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker
CHAIRMAN OF THE BOARD
Leroy A. Lincoln
PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

Cost of War At New Peak

Totals $84.6 Millions For December — 77% of Total Expenditure

Canada's expenditure on war during December of $84.6 millions reached a record peak, surpassing the $81.7 millions outlay made in October last year, the previous high point. Expenditure in November totalled $72.3 millions for war purposes.

War expenditure in December was 129% of total revenue, and 77% of total expenditure during the month, report of the Comptroller of the Treasury reveals. In November war expenditure was 113% of revenue, and 62% of total expenditure for all purposes.

$44.5 Millions Deficit

Revenue totalled $65.7 millions in December and expenditure $110.2 millions, leaving a deficit of $44.5 millions. This compares with a deficit of $52.5 millions in November and a deficit of $67.7 millions in October.

All revenue increased substantially in December, led by excise tax, sales tax, stamps, etc., which totalled $27.8 millions, an increase of $11.2 millions over the same month last year. All revenue increased $21.7 millions over December, 1939.

Relief and Works Take Less

The effects of increased industrial activity and certain savings in ordinary costs were reflected in figures for December. Ordinary expenditure of $22.7 millions was down $1.3 million from the corresponding month last year. Relief works and grants took $9.3 millions less of public money this year than in December, 1939. War costs of $84.6 millions were $65.5 millions greater than last year.

In the nine months period to Dec. 31, revenue from all sources totalled $572.6 millions, an increase of $173.8 millions over the same period last year. All sources increased substantially, with excise tax, sales tax, etc., increasing by $74.5 millions over the same period in 1939 to $190.3 millions.

Ordinary Costs Maintained

Savings on ordinary expenditure were relatively small, amounting to less than $1 million for the period, compared with last year.

War and defense expenditure during the nine months totalled $477.4 millions, an increase of $415.9 millions over the same nine months last year.

Total expenditure of $795.6 millions exceeded revenue by $223 millions. Compared with the same period last year expenditure was up $381.2 millions.

Following are comparative revenue and expenditure for December and the nine months period to Dec. 31.

Revenue and Expenditure

December	1940 (in $000s)	1939	Change
Revenue:			
Customs	11,173	9,611	+1,562
Excise duty	7,805	5,819	+1,986
Excise, sales, etc.	27,764	16,516	+11,248
Income tax	8,529	3,258	+5,271
Post office	6,187	5,183	+1,004
Sundry	4,275	3,694	+581
Total revenue	65,733	44,081	+21,652
Expenditure:			
Ordinary	22,728	24,057	—1,329
Capital	263	830	—567
War & defense	84,585	19,088	+65,497
Relief grants, etc.	1,967	11,270	—9,303
Govt. enterprises	553	825	—272
Other charges	173	511	—338
Total expend.	110,296	56,581	+53,688
Nine Months to Dec. 31			
Revenue:			
Customs	95,514	73,785	+21,729
Excise duty	66,463	47,250	+19,213
Excise, sales, etc.	190,258	115,735	+74,523
Income tax	173,233	118,468	+54,765
Post office	28,667	26,610	+2,057
Sundry	18,479	16,947	+1,532
Total revenue	572,614	398,795	+173,819
Expenditure:			
Ordinary	273,712	274,563	—851
Capital	2,785	5,458	—2,673
War & defense	477,372	61,472	+415,900
Relief grants, etc.	18,309	38,735	—20,426
Govt. enterprises	16,058	31,019	—14,961
Other charges	7,358	3,164	+4,194
Total expend.	795,594	414,411	+381,183

National Trust Closes Saskatoon Office

Effective Mar. 31, 1941, the Saskatoon office of the National Trust Co. will close its doors. Saskatchewan mortgage and loan business of the company will in future be directed from the Winnipeg office.

Col. R. W. Stayner, former manager of the Saskatoon office, will occupy the premises to carry on real estate, property management and insurance business under the name of Stayner Agencies.

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CANADA PERMANENT APPOINTMENTS

Gordon Harold Aikins, K.C. (left), has been appointed a director of the Canada Permanent Mortgage Corp., to fill the vacancy created by the recent death of G. W. Allan, K.C. Col. Aikins is senior member of the Winnipeg legal firm of Aikins, Loftus, Aikins & MacAulay; president of the Manitoba Sugar Co.; director of the Imperial Bank of Canada, of the Great-West Life Assurance Co. and a number of other companies. W. L. Knowlton (right) has been appointed manager of the Ontario branch of the Canada Permanent Trust Co. Mr. Knowlton entered the service of the company in 1930 and in his capacity as senior estates officer has gained wide knowledge of the administration of estates and trusts.

Company Reports

Canada Bud Breweries

Canada Bud Breweries Ltd. shows operating income for the year ended Oct. 31, 1940, up slightly from the previous year, but higher expenses, chiefly for income taxes, result in a decline in net profit. The final figure, however, is equivalent to 46 cents a share on the common, more than sufficient to cover annual dividends of 40 cents a share.

Balance sheet as at Oct. 31 last shows cash down from $275,775 to $168,289. There is a compensating rise in government bonds, however, reflecting the company's purchase of $175,000 of war loans last year. The company now has government and other bonds and debentures shown at book value of $200,282 and having a market value of $200,084.

***Income and Surplus Account Years Ended Oct. 31**

	1940 $	1939 $
Net oper. profit	185,886	180,423
Add: Invest. income	6,927	3,751
Misc. income	3,033	7,315
Net earnings	195,846	191,489
Less: Exec. salaries	11,524	8,000
Legal fees	763	1,048
Directors' fees	4,500	4,500
President's salary	4,500	4,500
Depreciation	58,369	55,291
Income taxes	40,450	22,227
Adj. for subsid. loss	6,058	......
Net profit	69,682	95,923
Less: Dividends	60,000	60,000
Surplus for year	9,682	35,923
Add: Prev. surplus	433,968	398,000
Adjustments	......	45
Less: Tax adjust.	10,900	......
Surplus forward	432,750	433,968
Earned per Share:	$0.46	$0.64
Paid	0.40	0.40
Shares o/s., n.p.v.	150,000	150,000

*1940 statement reflects figures of Canada Bud Breweries Ltd. only while 1939 statement consolidates subsidiary operations.

Working Capital

	1940 $	1939 $
Current assets	700,915	637,609
Current liabilities	105,072	94,368
Working capital	595,843	543,241

Western Breweries

Western Breweries Ltd. reports net profits for the year ended Oct. 31, 1940, at higher levels than for any of the past 10 years. The company earned 41 cents a share on its common after paying full bond interest and depreciation and providing income taxes more than four times the amount set aside for the previous year.

The company operates four breweries and one soft drink plant in the western provinces and western Ontario.

During the year bondholders agreed to renew the $450,000 bond issue for 15 years and reduced interest from 7% to 5½%. The new bonds are to be redeemed at the rate of $25,000 annually, commencing April 1, 1941. All interest arrears, amounting to $48,923, were paid, as well as liability to minority preference shareholders of $52,518.

The company has contingent liabilities through guarantees of bank loan, limited to $25,000, and guarantee bonds, for $125,000 for Drewrys Regina Ltd.

Consol. Income and Surplus Account Years Ended Oct. 31

	1940 $	1939 $
Operating profit	805,323	542,784
Less: Excise, sales, taxes, etc.	506,188	337,091
Net oper. profit	299,135	205,693
Add: Invest. income	2,237	6,149
Misc. income	4,363	3,977
Less: Exec. sals., legal fees	29,479	31,643
Directors' fees	1,000	1,000
Net earnings	275,256	183,176
Less: Depreciation	70,886	70,532
Bond interest	42,344	39,907
Min. int. in Drewrys	355	2,132
Income tax	60,000	14,150
Net profit	101,671	61,455
Add: Previous surplus	92,622	30,473
Profit on plant sold	......	1,402
Adjustments	......	349
Less: Adjustments	2,895	......
Tax adjustments	5,414	860
Invest. sale comm.	1,250	......
Loss on assets sold	3,809	37
Drewrys' adjustment	1,035	160
Surplus forward	179,890	92,622
Earned per Share:	$0.41	$0.25
No. dividends paid.		
Shares O/s., n.p.v.	244,786	244,786

Working Capital

	$	$
Current assets	320,363	218,604
Current liabilities	174,969	157,579
Working capital	145,394	61,025

Canada Vinegars

Net profits of Canada Vinegars Ltd. for the year ended Nov. 30, 1940, were less than half those of the previous year. C. L. Carsley attributed the decline to the heavy increase in the federal excise tax on spirits used in the manufacture of vinegar. This tax was operative for the full 1940 fiscal year and added around $100,000 to costs—a figure in excess of the average yearly earnings of the company in the last five years. Representations are still being made to the Government to alleviate this burden, but up to the present no action has been taken to lessen the tax.

Poor vegetable crops in 1940, particularly in cucumbers, also had an adverse influence on earnings.

Construction of new buildings and plant in Winnipeg and Montreal, **which are practically completed, is** expected to improve business in the 1941 fiscal year.

Cons. Income and Surplus Account Years Ended Nov. 30

	1940 $	1939 $
Net earnings*	135,301	197,631
Less: Depreciation	72,001	73,354
Inc. tax reserve	19,927	25,141
Directors' fees	1,550	1,550
Western Vinegars minority interest	1,732	2,203
Net profit	40,091	95,383
Less: Dividends	55,200	110,400
Deficit for year	15,109	15,017
Less: Prev. surplus	121,599	136,616
Surplus forward	106,490	121,599

*After all costs of operations, management, selling and office overhead. In 1940 salaries of executive officers and directors amounted to $41,722 and legal fees, $529; in 1939, $43,902 and $404 respectively.

Earnings per Share:		
Common: Earned	$0.44	$1.04
Paid	0.60	1.20

Working Capital

Current assets	531,588	492,242
Current liabilities	267,653	257,288
Working capital	263,935	234,954

Balance Sheet Items At Nov. 30

	1940 $	1939 $
Accts. receivable (net)	122,156	92,161
Inventories	393,995	385,970
Bank loan	10,000	37,000
Accts. payable (trade)	152,568	121,462
Construction loan	125,000	......

Trust and Loan Companies

Midland Loan

Moderate decline in earnings in the face of adverse business conditions was shown by Midland Loan and Savings Co., Port Hope, Ont., in the year ended Dec. 31, 1940. Net profit declined $5,378 despite a rise in the amount reserved for taxes of $11,831. In 1940 the amount reserved for taxes, $32,814, was larger than the net of $29,513 available for distribution to shareholders from the year's operations.

Earnings Record

Year	Paid-up Capital & reserves $	Net profit* $	Div. rate %	Rate earned per sh. %
1936	840,000	31,478	8	8.74
1937	840,000	31,768	8	8.82
1938	840,000	33,385	8	9.27
1939	840,000	34,891	8	9.69
1940	840,000	29,513	8	8.20

*After deduction of investment reserve of $20,000 in 1940; $30,000 in other years.

Liabilities to the Public

	1940 $	1939 $
Debentures	1,821,136	1,871,490
Deposits	383,178	385,941
	2,204,314	2,257,431
Secured by:		
Liquid assets	632,094	594,434
Mtges. & int.	2,502,909	2,574,467
Less: Excess liab.†	46,218	27,711
	3,088,785	3,141,190

†Excess of certain current liabilities over other net assets.

Canada Permanent

Annual report of Canada Permanent Mortgage Corp. reflects the changes brought by the war in several items. The two Dominion of Canada war loans depleted savings deposits by more than $3 millions, two thirds of which had been replaced by the year end. Debentures payable in sterling declined nearly $1 million in line with the government policy as to foreign exchange, but this was partly counteracted by a rise in Canadian-pay debentures.

The company's subsidiary, Canada Permanent Trust Co., does not issue its report at the present time, but is stated to show an improvement of nearly $3 millions in its estates, trusts and agency account. Profits are understood to be lower but remain above the 6% dividend requirements.

	1940 $	1939 $
Total assets	67,667,041	69,279,331
Debenture stk. & int.	793,932	793,932
Sterling debs. & int.	8,922,661	9,897,142
Can. Debs. & int.	28,127,328	27,679,567
Deposits & int.	17,105,827	18,094,160

Earnings Record

Year	Paid-up capital & reserves $	Net profit* $	Div. rate $	Rate earned per sh. $
1936	12,000,000	680,282	8	9.72
1937	12,000,000	675,567	8	9.65
1938	12,000,000	677,440	8	9.68
1939	12,000,000	684,341	8	9.78
1940	12,000,000	689,097	8	9.84

*Before deducting reserves for real estate—$150,000, taxes, $50,000 in 1940 and written off premises $100,000 in 1939 and 1940.

Liabilities to the Public

	1940 $	1939 $
Debents. & deb. stk.	37,843,921	38,370,641
Deposits	17,105,827	18,094,160
Total	54,949,748	56,464,801
Secured by:		
Liquid assets*	11,844,705	11,867,934
Mtges. & int.	50,654,155	52,471,513
Other net assets†	4,851,494	4,780,152
	67,350,354	69,119,599

*Including 98% of the stock of Canada Permanent Trust Co. at par of $980,000.

†Office premises and real estate held for sales less income tax reserve, sundry accounts and dividend payable.

Toronto Mortgage

Annual report of Toronto Mortgage Co. for the year ended Dec. 31, 1940, showed a decline in net profits, largely as a result of an increase in income tax reserve to $50,000 as compared with $25,000 in 1939. Debentures payable in sterling declined some $214,000 as a result of repatriation while Canadian-pay debentures rose approximately $150,000.

Liquid assets, up some $29,000, increased relative to other assets. Annual meeting will be held at the company's office on Feb. 5, 1941.

Earnings Record

Year	Paid-up capital & reserves $	Net profit $	Div. rate† $	Rate† earned per sh. $
1936	2,151,502	128,971	6	6.53
1937	2,151,502	121,019	6	6.13
1938	2,151,502	120,512	6	6.11
1939	2,151,502	117,312	6	5.95
1940	2,151,502	96,208	5.50	4.88

†Based on 19,730 fully paid shares of $50 par value.

Liabilities to the Public

	1940 $	1939 $
Debentures	2,930,988	2,991,393
Deposits	147,494	137,141
Total	3,078,482	3,128,534
Secured by:		
Liquid assets	1,228,363	1,199,406
Mortgages & int.	4,024,808	4,090,163
Other net assets	100,557	126,376
Total	5,353,728	5,416,945

Senators and M.P.'s on Boards Of 200 Canadian Concerns

Some 200 business or financial concerns in Canada have on their boards men who are members either of the Canadian Senate or the House of Commons, according to The Financial Post Directory of Canadian Directors and Officials.

Some 64 legislators in all are listed on corporation directorates, 38 from the Senate and 26 from the House of Commons.

The 38 Senators hold seats on the boards of 160 Canadian companies or institutions. Twenty of them are presidents or chairmen of their respective boards.

Among those with the widest interests are Senators George Gordon with six presidencies, five vice-presidencies, and three directorships; Arthur Meighen with five presidencies, two chairmanships and three directorships, and Donat Raymond with two presidencies and 11 directorships. Hon. Salter Hayden has two vice-presidencies and four directorships, Hon. Raoul Dandurand three presidencies and four directorships, and Hon. C. P. Beaubien 10 directorships. Hon. D. O. L'Esperance has one chairmanship, two presidencies, one vice-presidency and five directorships.

Some 26 M.P.'s hold seats as directors on the boards of over 60 companies.

Of these the championship seems to go to Hon. H. A. Bruce, who holds one presidency, two vice-presidencies and three directorships.

Louis O. Breithaupt follows closely with one presidency, one vice-presidency and two directorates.

Alan Cockeram is secretary-treasurer of six companies, Hon. R. B. Hanson holds five directorates.

However mere number of directorates may mean nothing. Many of the companies are small family businesses or local enterprises.

In not all cases have the data been checked by the directors concerned, although each one received a copy of the listing for checking purposes before publication of the Directory.

Names of senators and M. P.'s, with their addresses, constituencies and business interests, as listed in the Directory, follow:

Senators

DANDURAND, RAOUL, MONTREAL, Q. (DE LORIMIER):
President: Montreal City & District Savings Bank, Fire Insurance Co. of Canada, Montreal City and District Trustees Ltd.; director Canadian International Paper Co., Montreal Cottons, Ltd., Sun Life Assurance Co., West Canadian Collieries Ltd.

GORDON, GEORGE, NORTH BAY, ONT. (NIPISSING):
President: Geo. Gordon & Co., Upper Ottawa Timber Co., Strong Lumber Co., Sturgeon River Improvement Co., Cache Bay Stores Ltd., Angus Block & Realty Co.; vice-president: Coulogne Timber Co., A. B. Gordon & Co., Petewawa Lumber Co., Temagami Timber Co., Cochrane-Dunlop Hardware; director Sherritt-Gordon Mines, Bank of Nova Scotia, National Grocers Co.

SMITH, E. D., WINONA, ONT. (WENTWORTH):
Chairman and president E. D. Smith & Sons Ltd.

DONNELLY, J. J., PINKERTON, ONT. (SOUTH BRUCE):
Director Capital Trust Corp.

BEAUBIEN, C. P., MONTREAL. (MONTARVILLE):
Director Banque Canadienne Nationale, Nova Scotia Steel & Coal Co., Canadian Steel Foundries Ltd., British American Oil Co., Dominion Steel & Coal Corp., Dominion Coal Co., Credit Foncier Franco-Canadien, Canadian Car & Foundry Co., Beaubien Ltd., Fire Insurance Co. of Canada.

McMEANS, LENDRUM, WINNIPEG, MAN. (WINNIPEG):
Director The Real Estate Loan Co. of Canada.

L'ESPERANCE, D. O., QUEBEC, QUE. (GULF):
Chairman A. Belanger, Ltd.; president Grande Allée Apartments, Quebec, Cie d'Aqueduc, Montmagny; vice-president Trust General du Canada; director Banque Canadienne Nationale, Holt, Renfrew & Co., Quebec Power Co., Shawinigan Water & Power Co., National Life Assurance Co.

BARNARD, GEO. H., VICTORIA, B.C. (VICTORIA):
Director British Columbia Telephone Co., Brackman Ker Milling Co., Evans, Coleman & Gilley Bros., Ltd., McLennan, McFeely & Prior Ltd.

WHITE, G. V., PEMBROKE, ONT. (PEMBROKE):
Honorary treasurer Canadian Legion War Services Inc.; vice-president Steel Equipment Co.; director Quebec Manitou Mines.

CHAPAIS, SIR THOMAS, QUEBEC, QUE. (GRANDVILLE):
Director Administration & Trust Co.

WEBSTER, LORNE C., MONTREAL, QUE. (STADACONA):
President Holt, Renfrew & Co.; director Canadian Car & Foundry Co., Canadian Steel Foundries Ltd., Canadian General Investments Ltd., Quebec Power Co., Sun Life Assurance Co., Dominion Steel & Coal Co., Canadian Tube & Steel Products, Canadian General Insurance Co., Canada Steamship Lines Ltd., Dominion Coal Co., Twin City Rapid Transit Co.

BLACK, F. B., SACKVILLE, N.B. (WESTMORLAND):
President New Brunswick Telephone Co., Joseph L. Black & Sons, Ltd., Marvin's Ltd.; director Maritime Life Assurance Co., Maritime Trust Co., Moncton Broadcasting Co.

HARDY, A. C., BROCKVILLE, ONT. (LEEDS):
Director Dominion Life Assurance Co., Toronto General Trusts Corp., G. T. Fulford Co., Wellington Investments Ltd., Victoria Realty Co., The Brockville Trust & Savings Co.

ROBINSON, C. W., MONCTON, N.B. (MONCTON):
President New Brunswick Wire Fence Co.; director Eastern Trust Co., Moncton Transcript Ltd., New Brunswick Alberta Land Co., Eastern Utilities Ltd., Brunswick Hotel Ltd.

MacARTHUR, CREELMAN, SUMMERSIDE, P.E.I. (PRINCE):
President Harding Motors Ltd.; vice-president M. F. Schurman Co.; director Central Trust Co. of Canada.

COPP, A. B., SACKVILLE, N.B (WESTMORLAND):
Director The Maritime Trust Co.

GRAHAM, G. P., BROCKVILLE, ONT. (EGANVILLE):
President Recorder Printing Co.; vice-president Canada Foundries & Forgings Ltd.; director Brockville Trust & Savings Co.

RAYMOND, DONAT, MONTREAL, QUE. (DeLaVALLIERE):
President Canadian Arena Co., Queens Hotel Co.; director Canadian Bank of Commerce, Montreal Refrigerating & Storage Ltd., Canada Cement Co., Dominion Glass Co., Canadian International Paper Co., The National Breweries Ltd., Trust General du Canada, General Steel Wares Ltd., Imperial Life Assurance Co., Fire Insurance Co. of Canada, Borden's Ltd.

LACASSE, GUSTAVE, TECUMSEH, ONT. (ESSEX):
President Maple Leaf Publishing Co.; director Sauvegarde Life Insurance Co., Societe des Artisans Canadiens-Francais.

HORSEY, H. H., CRESSY, ONT. (PRINCE EDWARD):
Director Ottawa Light, Heat & Power Co., Ottawa Electric Co., Ottawa Electric Railway Co.

FOSTER, W. E., SAINT JOHN, N.B. (SAINT JOHN):
President Foster and Rising Ltd.; chairman Consolidated Diversified Standard Securities Ltd.; director Vassie-Brock Manchester, Ltd., Eastern Canada Steamships, Ltd.

PARENT, GEORGES, QUEBEC, QUE. (KENNEBEC):
President Citadel Brick Ltd., American Titanic Iron Co.; vice-president Donnacona Paper Co.; director Sun Trust Ltd., "Le Soleil Ltee," Southern Canada Power Co., Quebec Power Co.

McRAE, ALEX. D., VANCOUVER, B.C. (VANCOUVER):
Director Dome Mines Ltd., Texas-Canadian Oil Corp., Ltd.

MEIGHEN, ARTHUR, TORONTO, ONT. (ST. MARY'S):
President Canadian General Securities, Ltd., London & Western Trusts Co., Traders Finance Corp. Ltd., Canadian Insurance Shares Ltd.; chairman and president Canadian General Investments Ltd.; chairman Third Canadian General Investment Trust Ltd.; director Northern Canada Mining Corp. Ltd., Toronto General Insurance Co., Holt, Renfrew & Co. Ltd.

BALLANTYNE, C. C., MONTREAL, QUE. (ALMA):
Chairman Canadian Investment Fund; director Canada Cement Co., Canadian Industries, Ltd., Montreal Locomotive Works, Royal Trust Co., Borden's Ltd., National Breweries, Ltd.

DENNIS, WILLIAM H., HALIFAX, N.S. (HALIFAX):
Managing-director Halifax Herald, Ltd.; president Maritime Agencies Ltd.; director Nova Scotia Trust Co., Wood Bros. Co., The Canadian Press.

RAINVILLE, J. H., ST. LAMBERTS (REPENTIGNY):
Vice-president Fleming Mines Ltd.; director Kirkland Gold Rand Ltd., Jacques Cartier Mining Corp., Notre Dame Hospital.

MORAUD, LUCIEN, QUEBEC (LA SALLE):
Director Wabasso Cotton Co., Standard Brands Ltd., Citadel Brick Co., Quebec Airways Ltd., Les Prevoyants du Canada, Legare Ltee., Sun Trust Co.; member board of governors Laval University.

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DAMUDE, A. B., FONTHILL, ONT. (WELLAND):
Director Fidelity Trusts Co., Welland County Hospital.

DUBUC, JULIEN E. A., CHICOUTIMI, QUE. (CHICOUTIMI):
President Cie. due Telephone, Saguenay.

FULFORD, GEORGE T., BROCKVILLE, ONT. (LEEDS):
Vice-president G. T. Fulford Co., The Brockville Trust & Savings Co.; director Brockville Hotel Co., Canada Foundries & Forgings Ltd.

GIBSON, C. W. G., HAMILTON, ONT. (HAMILTON WEST):
Director Canadian Power & Paper Investments.

HANSON, R. B., FREDERICTON, N.B. (YORK-SUNBURY):
Director New Brunswick Telephone Co., Restigouche Co., New Brunswick & Canada Railroad Co., Fraser Companies Ltd., Ganong Bros. Ltd.; member bondholders defensive comm. of Abitibi Power & Paper Co.

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ISNOR, GORDON B., HALIFAX, N.S. (HALIFAX):
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JACKMAN, HENRY R., TORONTO, (ROSEDALE):
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MASSEY, DENTON, TORONTO, ONT. (GREENWOOD):
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MAYHEW, R. W., VICTORIA, B.C. (VICTORIA):
Director Sidney Roofing and Paper Co., National Paper Box Ltd., London & Western Trusts Ltd.

McCANN, JAMES, J., RENFREW, ONT. (RENFREW SOUTH):
Director Capital Trust Corp.; vice-president Canadian Public Health Assoc.

McCULLOCH, H. B., NEW GLASGOW, N.S. (PICTOU):
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McNEVIN, BRUCE, OMEMEE, ONT. (VICTORIA):
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RAYMOND, MAXIME, OUTREMONT, QUE. (BEAUHARNOIS-LAPRAIRIE):
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Gatineau Power

Can Gatineau Power Co. maintain dividend payments on its common stock at the present rate?

Gatineau Power Co. in the three months period ended Sept. 30, 1940, showed earnings available for the preferred stock of $495,444, compared with $648,055 in the same period of 1939. This was equivalent to earnings on the common stock of 18 cents and 27 cents, respectively. Total income in the quarter ended Sept. 30, 1940, was substantially better than in the same period for 1939. Operating, administrative and general expense, and particularly provision for tax increases, however, more than offset the gross gain.

While the favorable trend of gross earnings may be expected to continue during wartime, increased operating expenses and taxation may be expected to more than offset greater gross revenue. Another factor which affects earnings available for stockholders is the cost incurred in purchasing U. S. funds for servicing the series A bonds.

Cons. Paper

What are the prospects for bonds of Consolidated Paper Co. from the speculative standpoint?

Financial statements of Consolidated Paper Corp. in 1940 will show more satisfactory earnings than in 1939. Newsprint and paper manufacturers have done well in the past year, and the facilities of the Consolidated Paper Corp. are being operated at high levels.

It is expected that the company will pay interest on the 5½% bonds, due July 2, in cash. According to the terms of reorganization the company has been paying bond interest in common stock. Now, however, working capital position has probably reached the point where payment in cash is possible.

The bonds are a senior charge on earnings, and an annual sinking fund is provided from March 1 this year of an amount equal to 25% of net earnings, after bond debenture interest, but before depreciation and depletion. As in the case of interest payments, no sinking fund payment is to be made if working capital is less than $10 millions.

Simon & Sons

I hold common stock in H. Simon & Sons Ltd. How will the company be affected by the Government's restrictions on tobacco importations?

Sales of H. Simon & Sons Ltd. in 1940 will show an improvement over 1939, it is expected. Higher operating costs and increasing taxation are likely to offset the higher gross revenue, and net earnings may not equal those of 1939, when net profit was equivalent to 94 cents a share on the common stock. Dividends were paid on the common stock at the rate of 60 cents annually in 1940 and the preceding year. If earnings hold near 1939 levels, dividends on the common stock will be met by a comfortable margin.

The Dominion's wartime policy of restricting importation of luxuries has been extended to manufactured tobaccos. At present, unmanufactured tobacco from non-Empire sources may be imported under license. The Government has indicated that it is anxious to curtail these imports and eventually tobacco may have to be obtained from within the Empire.

All but the lowest price cigars contain Havana tobacco. Cigar manufacturers are still able to import requirements from Havana, but if the Dominion Government cuts off imports entirely, cigars will contain only tobacco obtainable within the Empire. This would make impossible manufacture of higher price cigars once stocks of Havana tobacco in the country are depleted.

Winnipeg Electric

Any information that you can give me in regard to the series A bonds of Winnipeg Electric Co. will be appreciated.

While 1940 gross earnings of Winnipeg Electric Co. were ahead of 1939, increase in operating expenses and fixed charges, depreciation, etc., contracted net income. In the first 10 months of the year to Oct. 31, net income dropped 15% from the same period of 1939. This trend of greater revenue and higher costs may be expected to continue for the duration of the war.

Interest on the general mortgage A bonds has been earned by a moderate margin in the past few years. In 1939 it was earned 1.44 times after depreciation, against 1.28 times in 1938. It is probable that this calculation will be more favorable in 1940. The bonds are moderately backed by assets, but while taxes continue to bear so heavily upon public utility organizations, speculative possibilities on the series A bonds are restricted.

Canadian Car

I understand that Canadian Car & Foundry is experiencing a greatly increased volume of business. How will this be reflected in profits and the shareholders' position?

Canadian Car & Foundry Co. reported substantially improved earnings in the year ended Sept. 30, 1940. Net profit totalled $477,580, against net loss of $504,815 in the preceding fiscal year. This was equivalent to earnings on the preferred stock of $1.69 in 1940 and a deficit earning of $1.79 in 1939. This betterment was shown despite substantially increased provision for depreciation, and income tax and "excess" profits tax of $265,000 where none was paid in 1939. Operating profit of $1.4 million compares with an operating loss of $50,799 in 1939.

Victor M. Drury, president, states in the annual report that the organization has received a substantial volume of business arising from war requirements, which was not reflected in the financial statement for the past year

The company would appear to have a sufficient volume of business on hand to keep its facilities taxed to the utmost for some time. However, profit prospects are limited by the factors which Mr. Drury mentions.

Recently the company received through its subsidiary approximately $6 millions in settlement of claims rising out of the Black Tom and Kingsland sabotage explosion in 1917. This award was made after protracted legal involvement, and it is difficult to say what proportion of the $6 millions will accrue to the company. It is expected that legal expenses will absorb a large proportion of the award. If these expenses total $3 millions, the residue for preferred shareholders would total approximately $10.50 a share. Dividend arrears at the present time amount to more than $9.50 a share.

Indust. Accept.

In light of war developments how do you consider the stock of Industrial Acceptance Corp.?

Industrial Acceptance Corp. finances purchase of semi-permanent merchandise such as automobiles, radios, refrigerators, washing machines, etc., on an installment basis. In a wartime economy, it may be expected that the manufacture and sale of these articles will be affected by Dominion regulations. The Government's policy in this connection has been evident by the "freezing" of automobile and refrigerator models.

Taxation policies of the senior authority are also directed against any accelerated production of these articles and diversion of facilities formerly used in their manufacture into the production of war materials. At the same time, the Government is attempting to discourage purchase of consumer goods by heavy taxation and tapping of increased payrolls into war savings. These factors wil probably have an adverse effect upon an organization financing purchase of semi-permanent merchandise.

It is expected that net earnings of the company in 1940 will not be materially lower than in 1939. Net profit, however, after all taxes, including "excess" profits tax, will probably be in the neighborhood of $2 a share on the class A stock. This compares with $3.19 a share in 1939 and $4.03 in 1938.

CONTROLLER

D. G. Seebach, who has been appointed controller for The B. F. Goodrich Rubber Co. of Canada. Mr. Seebach has been chief accountant for Goodrich for the past 12 years.

Gatineau Power Revenue Up

Net Off After Taxes and Premium on U. S. Funds

Consolidated revenue of Gatineau Power Co. for the three months ended Sept. 30, last, was $2,516,189, compared with $2,360,274 in the same 1939 period. Net profit before dividends was $495,444, against $648,055 a year ago.

Drop in net was due, officials say, to "the sharp increase in taxes, based on income; and the premiums which the company has had to pay this year for the U.S. funds it requires to meet its obligations for interest and sinking fund payments due in the U.S."

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.

Enquiries are invited.

Common Law Wife

What is the position as regards income tax of a married man who:

Has been legally separated from his wife.

Made a settlement with her which has relieved him of alimony payments.

Contracted common law marriage with another woman?

Can he claim exemption for her on the ground that she is his common law wife?

Unless he is divorced he still ranks as a married man according to the Income Tax Act. The settlement he made with his wife relieving him of paying her alimony would probably be accepted as having the same effect on his income as alimony. Accordingly he can claim a married man's exemption of $1,500, on account of his legal wife. But he could not claim exemption for his common law wife even if he were divorced or the legal wife were dead.

Income Prior to July 1

I got some dividends in 1940 prior to July 1. Do I have to pay income tax on them, or do I pay only on the income I received in the last half of 1940?

The National Defense Tax you pay for 1940 is based on one half of your whole year's income. The rate is 2% in the case of a married person with income in excess of $1,200. In the case of single persons the rate is 2% if the income is over $600 but not over $1,200. But if income is in excess of $1,200 it is 3%. Accordingly in making up your National Defense Tax you must take half of your income for the entire year including salary or wages, dividends, interest, etc. The fact that the dividends were received in the first half of 1940 makes no difference.

It is evident that half of the total year's income might be quite different from the income for the last half of the year.

For instance, a man's income from salary and dividends in the first half of 1940 might be $1,000. But because the National Defense Tax was not in force then, nothing was deducted by his employer or by the company paying the dividends. Suppose in the last half of the year his income is $2,000—partly from salary, partly from dividends. On this amount, 2% would be deducted at the source either by the employer or the company paying the dividends. These deductions would amount to $40. But as the total income was $3,000 and the taxpayer is required to pay 2% on only half of it or $1,500, his total tax payable is $30. Accordingly he is entitled to a rebate of $10. In a case like this he will deduct the $10 from the amount of his income tax payable. If on the other hand the deductions at the source are not equal to 2% on half the total income for the year he will add the difference to his income tax. In the above calculations it is assumed the man is married.

Depletion Allowance

I hold some mining and oil stocks. For income tax purposes I am allowed deduction for depletion of the property from which the dividends are derived. Am I allowed similar deductions for depletion for National Defense Tax?

Under administrative rulings by the Income Tax Department you are entitled to the same deductions for depletion for National Defense Tax as for income tax. Accordingly the companies from which you draw your dividends should make the deduction for depletion before making the deductions at the source.

Effect of War Reflected In Building Operations

Direct effect of war in boosting building activity last year to the highest level in 10 years is reflected in detailed figures of construction contracts awarded.

Total awards of $346 millions as computed by MacLean Building Reports show a gain of 85 per cent over 1939 and are the highest since 1930.

The result for 1940 was achieved mainly in the last half of the year and reflected the speed-up and expansion of Canada's war effort in the fields of air training, defense and mobilization, and war supply. Contract awards in the second six months amounted to $220.6 millions compared with $125.4 millions in the first half of 1940.

Main Factors

The bulk of last year's total was mainly accounted for by the huge programme of construction for the Empire Air Training Scheme, which swelled the "public building" and "business building" categories of contract awards; and by the tremendous requirements for building and expansion of industrial plants for war purposes. Industrial building awards soared $99 millions or 435% and total of "public building" contracts climbed nearly $50 millions or 90%.

In recent months there have been signs of tapering off in the programme of building for air training and, with completion of projects now in prospect, this will probably drop this year to a considerably lower volume than in 1940. War factory construction promises to hold at a fairly high level for the better part of this year and there is some prospect of revived activity in residential and engineering construction, especially in housing programmes for areas of war activities and building of highways required for war purposes.

Residential Building

Activity earlier last year held engineering construction at a good level, a jump of $10 millions in general engineering projects and a slight increase in road building netting a rise of 24% in this category. Despite modest gains in recent months, total of residential building last year was virtually the same as in 1939.

Bulk of all building operations last year was in Ontario, which also achieved the biggest increase over the preceding year. Contract awards in this province rose nearly $65 millions to $146.8 millions. However, the totals for all provinces showed marked increases, the biggest jumps percentagewise being reported for the three prairie provinces and P. E. I.

CONSTRUCTION CONTRACTS AWARDED

12 Months

	1940	1939	— Change —	
	— Millions of $ —			%
Residential	67.7	67.4	+0.3	+0.3
Business	104.6	54.9	+49.7	+90
Industrial	121.7	22.7	+99.0	+435
Engineering	51.9	42.0	+9.9	+24
Total	346.0	187.2	+158.8	+85

December Totals

	1940	1939	Change	%
Residential	4.3	3.9	+0.3	+8
Business	5.6	2.1	+3.5	+166
Industrial	6.0	2.1	+3.9	+186
Engineering	0.9	1.3	—0.4	—30
Total	16.9	9.4	+7.5	+79

Totals by Provinces

	—12 Months—		Incr.
	1940	1939	
	—Millions of $—		%
P. E. I.	2.1	0.9	126
Nova Scotia	12.1	9.5	27
New Brunswick	6.9	5.7	23
Quebec	96.3	62.8	53
Ontario	146.8	82.6	78
Manitoba	28.0	5.4	421
Sask.	12.6	3.2	288
Alberta	23.9	5.2	358
B. C.	17.2	11.7	47

Details of 1940 Awards

	——12 Months——	
	1940	1939
	$	$
Apartments	8,530,700	9,829,000
Residences	59,139,200	57,622,200
Total residential	67,669,900	67,451,200
Churches	2,523,300	4,697,700
Pub. garages	2,564,500	3,755,600
Hospitals	8,760,200	7,468,700
Hotels, clubs	3,844,200	3,187,400
Office bldgs.	4,974,100	4,773,300
Public bldgs.	57,903,500	9,889,500
Schools	6,139,600	7,375,300
Stores	8,080,700	7,160,600
Theatres	1,290,000	1,418,500
Warehouses	8,519,400	5,218,600
Total business	104,599,500	54,945,200
Total industrial	121,760,800	22,753,000
Bridges	2,639,200	3,067,300
Dams, wharves	3,834,800	8,441,700
Sewers, w'mains.	3,880,900	4,133,800
Roads, streets	28,844,400	23,565,400
Genl. engineer'g.	12,780,300	2,820,900
Total engineer'g.	51,979,600	42,029,100
GRAND TOTAL	346,009,800	187,178,500

Comparative Annual Totals

1940	$346,009,800
1939	187,178,500
1938	$187,277,900
1937	224,056,700
1936	$162,588,000

Board to Start Enquiry Into Goodyear Dispute

Hearings are expected to be held before the end of this month in the enquiry under the Industrial Disputes Investigation Act into the purported grievances of the employees of the Bowmanville, Ont., plant of Goodyear Tire & Rubber Co. Mr. Justice Gillanders is chairman of the board of enquiry, while F. A. Brewin represents the employees and V. A. Sinclair, K.C., the company.

Exact details in dispute are not available, although reports indicate that right of United Rubber Workers, a C.I.O. affiliate, to sole bargaining rights for the employees is one matter. Another is said to be the question of higher wages.

B. C. to Protest Freight Increase

Also Suggest Lifting Ban Against U. S. Coastal Shipping

From Our Own Correspondent

VANCOUVER.—British Columbia business interests, charging the railroads with unfair discrimination, have formally made application to the Board of Transport Commissioners for suspension of the proposed rate increases on freight to and from the west coast, scheduled to become effective Feb. 1.

In addition, they are proposing that the Canadian Government remove the restrictions now placed on U.S. coastwise shipping which prevent American vessels from loading Canadian freight for intercoastal shipment.

The latter plea is based on the contention that the railways admittedly propose to increase their rates solely because of the withdrawal of ship competition through the Panama Canal as a result of war conditions. West coast industrialists claim that disadvantages already suffered by them in relation to eastern Canada will be increased if the new rates are enforced.

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If light delivery is your problem, Fargo offers you a choice of ½-ton and ¾-1 ton capacities with standard express and panel bodies in 3 lengths—or the three chassis models illustrated below for special body mounting. These Fargo light delivery trucks are built for truck duty—with special truck engines, frames, clutches, rear axles and transmissions. They're fast, economical, durable and long-lived under strenuous delivery service.

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Fargo Trucks for 1941 cover over 98% of all delivery and hauling needs. Fargo is engineered by Chrysler and built in Canada—your assurance of reliable, economical performance.

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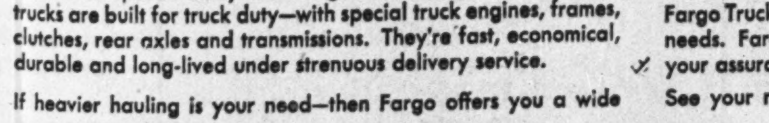
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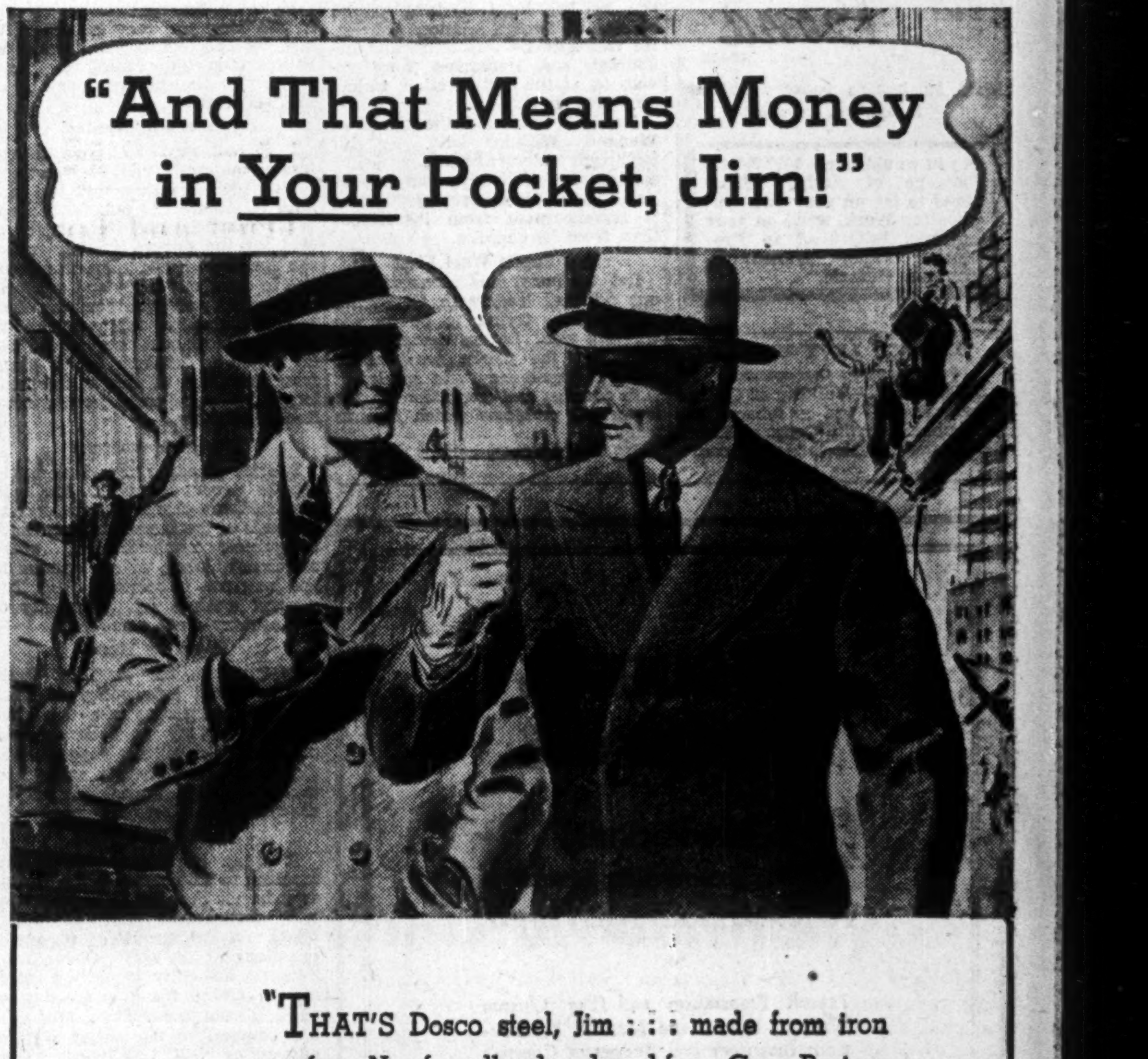
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TOBACCO LEVY UPHELD

From Our Own Correspondent

MONTREAL.—Validity of Quebec Province's 10% tax on tobacco has been upheld by the Court of King's Bench, the province's highest court.

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Business and Politics Need Men of Courage

Publisher Says Politicians Should Cease Trying to Be on Winning Side — Spokesmen of Business Should Be Leaders of Business

At the annual dinner of the Bank of Toronto, officers and branch managers, Horace T. Hunter, president of The MacLean Publishing Co., speaking on "Courage," stressed the need of this quality in business and political life in Canada today.

By HORACE T. HUNTER

Courage is needed as never before in the business and political life of our country.

Take first the political field.

When I was in England a month before war broke out the editor of an important London newspaper addressed a small gathering of newspapermen at which I was present. He said:

"I feel strongly that public men do not possess or show that quality of courage which they did a few decades ago. I could always get in ten minutes' time a definite and unequivocal opinion from the late Joseph Chamberlain or other statesmen of his time on any important question of the day. Now when I go to most of our leading statesmen they talk for an hour giving arguments pro and con, and I come away knowing little more about their views than when I entered their office. They are waiting to find out what the majority of the electors think before expressing their own opinion."

Analogies in Canada

We have many analogies to this situation in our public life in Canada. There is too great a tendency to follow public opinion rather than to lead it.

Two men stand out in contrast in world politics. Let us hope many others will follow their example—I refer to Churchill in England, both before and after he assumed the office of Prime Minister, and to Franklin Roosevelt during his last term of office.

I am no admirer of Roosevelt's economic policies, but from the time he made his "quarantine" speech in Chicago over three years ago he has been bucking public opinion on foreign relations policies. He was sure he was right, and his courage and leadership were rewarded at the last election with a sweeping victory.

I might even add the name of Wendell Willkie, who, by his forthright statement and courageous action, may well save the Republican party from disintegration as it suffers more from its friends than from its enemies.

Put Public Weal First

Let us insist and demand that our political leaders in all parties stop merely trying to be on the winning side. Let us demand that they put the public weal above political expediency, and speak out with courage and conviction on the important problems which face us today.

But businessmen cannot demand this high standard of their political leaders without accepting it also for themselves.

Courage is required to maintain standards of practice, eliminate price-cutting and secret commissions.

Information has come to me in confidence where men have been asked to increase their price on goods supplied to the Government. If they acceded to this request, the next step would no doubt be a call from a man requesting a contribution to party funds.

You can see what this will lead to. It is only a short step to the system in vogue in some of the large cities on this continent where gangsters only allow those firms to continue in business who make regular contributions to them.

It is a vicious system and can only be eliminated by the pressure of public opinion and the combined and co-operative action of those directly concerned. It will take courage of the highest order to fight it.

National Problems

We are facing today the greatest national problems with which this country has ever been confronted. They are problems of finance, of sound organization principles, of personnel, of political patronage, overgovernment and duplication of services, and many other questions of equal importance.

The very security and existence of business organizations, both large and small, are dependent on their solution. Moreover, the solution of these problems now will be the best advance preparations we can make for the after-the-war slump and the shift over to peacetime conditions.

Surely we might expect, therefore, business leaders who have handled many analogous problems in their own business to take a definite stand openly on these questions even at the risk of retaliation by certain interests on whose toes they may be treading.

My own humble opinion is that in the long run they have less to lose by this courageous course of action than by evading the issue either by indifference or by a studied silence.

Leadership Needed

I do not advocate reckless entrance into controversial questions.

I do feel, however, that the men who formulate the policies for our great industrial and financial corporations, the leaders of labor and of the farmers should have the courage to come out fairly and squarely on the important questions that face the municipality, the province, or the Dominion; that they should not be afraid to criticise or to differ from the views of men in the same lodge, the same party, or the same line of business.

Unselfish Attitude

Special pleading for class interests is never effective. The man who selfishly champions the special interests of the banks, the insurance companies, manufacturers, retail merchants, labor, or agriculture in the long run is bound to fail. The general welfare and prosperity of the country must come first.

Don't Be Timid

In business the cautious, timid and so-called safe policy is often the most dangerous one. I believe we have got to get back some of the qualities of the rugged individualist. He frequently made mistakes, but he had opinions and you always knew where he stood.

Not To Be Quoted

It is an important part of our business to interview representative men in all lines of trade, industry and government and get their views on important controversial questions of the day. Our editors have no difficulty in getting information and a frank expression of opinion from them. Even those who are opposed to the policy we are advocating will talk freely. But mark this, nearly always they stipulate the source of the information must be considered confidential. Frequently this is understandable, but there are many occasions when the issues at stake are so important that much good would be done by a direct statement credited to the party interviewed.

Must Educate Public

The spokesman of business must be the leader of business. It takes much longer to get over to the public a sound idea than an unsound one. Weeds grow quicker than flowers.

I believe the majority of men in our governments are honest, sincere men. We may criticise them for following public opinion rather than leading it. We can help them, however, and at the same time help ourselves, by doing our part to influence public opinion along sound lines. In a democratic country it is the only way to get results.

The presidents of our chartered banks, life insurance and loan and trust companies have spoken out frankly and courageously at the annual meetings of their institutions on many occasions on questions of national interest.

They have given wide publicity to these annual statements through the press. They will be read carefully as long as they avoid being merely conventional and neutral on the great important issues of the day.

They are in the unique position of serving all interests in the community.

They must play no favorites.

The general prosperity of the whole country must be the dominant consideration.

I would like very much to see the heads of large industrial companies adopt this same plan, and give the same wide publicity to their views.

More Newspapers Comment On Bren Gun Contract

The Bren Gun Again

Vancouver Sun

So the Bren gun contract has been cancelled by the same government which, two years ago, defended it so vigorously in Parliament and before an investigating commission. Apparently the contract was cancelled because fuller experience with it showed it not to be in the public interest. The net result, therefore, would appear to be a complete vindication for Colonel George Drew, who made the charges, and for Maclean's Magazine, which first brought them to public notice.

The Bren gun contract smelled of politics and jobbery from the very beginning. It was apparently arranged to yield a handsome profit to the friends of the Government either for campaign purposes or for something else. The commission which investigated the deal did not find against the Government. It specifically exonerated the minister of defense, his department officials and the members of Parliament involved. But it gave no clean bill of health all round. It did not endorse the contract and its recommendation that the making of contracts for munitions purchases be entrusted not to the department of defense but to a committee of experienced businessmen raised a presumption that the commission felt there was something dubious about the whole transaction.

A particularly reprehensible part of the deal, and one which Canadians found very difficult to stomach, was the attempt to use the British war office as a catspaw in swinging the contract.

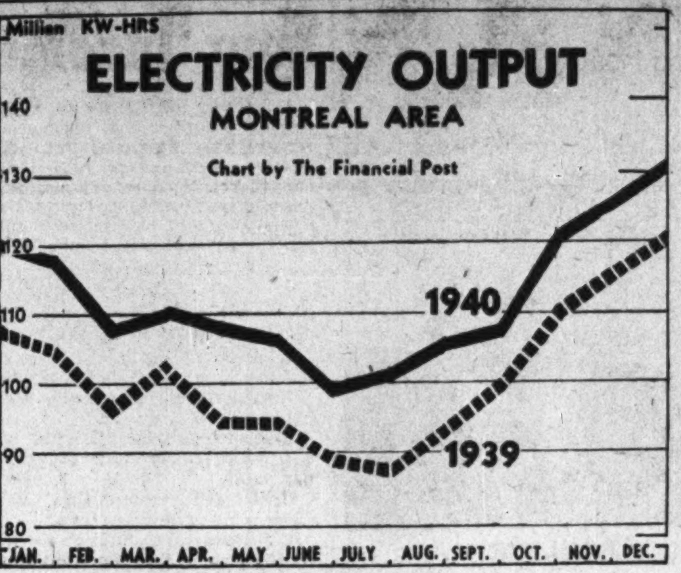
The Government has not, of course, admitted complicity in the Bren gun mess. It was not expected that it would. But the cancellation of the contract and the making of new contracts effective from the very beginning come very close to being a confession of fault in general terms.

Reassuring

St. Catharines Standard

The cancellation of the Bren machine gun contract, and it is retroactive, speaks for itself. From the very beginning of the controversy over this contract, including the manner in which it was "wangled," Canadians by and large sensed that it was a stock promotion which did not jibe whatever with the rigorous realities of war. Nor was it good business for time of peace.

It is said that Major Hahn is still on the job, but Government ordnance experts have been in command all through the piece. The Government is to be commended for abolishing the 10% cost plus basis of production and substituting the management fee under which 150 other companies in Canada are operating. The action is a sad commentary, however, on certain election speeches and speeches made in the House of Commons in defense of the original contract.



WAR BOOSTS POWER DEMAND

Output of electricity (exclusive of secondary power) registered a gain in the Montreal area during 1940 as seen by the graph above. Figures supplied by Montreal Light, Heat & Power Consolidated show a total output of 1,349,543,365 kw.h. as against 1,213,026,880 kw.h. for 1939. This represents an increase of 11.25%.

Economist Sees Two Factors Curbing "Funny" Money Rates

Present paradoxical situation of declining interest rates being paid on ever-increasing government debts is ascribed by Dr. Melchior Palyi in an article in American Business as due to the world wide policy of managed finance.

This apparent elimination of the law of supply and demand in the financial field whereby a greater demand for money results in a lower price being paid for it, this distinguished University of Chicago economist finds, is one of the remarkable achievements of the 'thirties.

Asking how long such an upside-down system of finance can last, he says, there are two significant limits to its continuance:

1. An intentional change of government policy abandoning cheap money and voluntarily raising rates. This, he says, is unlikely to happen.
2. Each country will be faced with the alternative of balancing the budget or else stumbling into runaway inflation. A balanced budget would check the mounting flow of credit.

Managed Finance System

Dr. Palyi explains how every country in the world in recent years is working under a system of managed finance which in spite of increasing volume of government loans becoming available for investors has seen the bonds representing them sell at ever-increasing prices, lowering their yield. The low yield gives even a country like Germany the appearance of having just as good credit now as during the time of her greatest financial and economic prosperity before Great War 1. Italy and Japan and France before her collapse are other examples of countries with interest rates falling while government debts were rising.

In Great Britain the same thing exists. "Apparently, says Dr. Palyi, this is a new age in which the principle that a balanced budget is a better guarantee of the investor's money than an unbalanced one does not hold any more."

Case of South Africa

He mentions the Union of South Africa as the world's greatest gold producer and the only country left with a balanced budget. Yet she has the highest bond yield of all "English-speaking" bonds and has much trouble trying to reduce the rate. But Canada and Australia both with heavy deficits, he states, have had the yield on their bonds fall from 5.4% and 4.8% to 3½% each.

The United States, he adds, has "done better" than anybody else, a rise of $25 billions in debt being accompanied by a fall in the long-term yield from 4.26% in 1932 to under 2.25%.

Capital Markets Isolated

This result has been made possible, he proceeds, by virtual isolation of national capital markets from foreign money centres. Loans are sold on the internal markets. British consols he describes as now a purely British security. So too, the bonds of every other country are a strictly internal security. If ever the international money market should reopen the managed interest rate, he declares, will meet an acid test.

Management is the thing, he states, that interferes with normal functioning of supply and demand on the credit markets.

This management everywhere, he says, consists in this:

Money is printed in sufficient volume to absorb the bonds offered.

The investors and especially the investing institutions are discouraged to invest in anything much but government bonds.

Thus the demand for the latter he sees kept artificially on an even keel or better with the supply.

Small Decline In Life Sales

Total For Canada and Newfoundland Down Less Than 1%

Residents of Canada and Newfoundland in 1940 bought ordinary life insurance amounting to $365.2 millions or just $3.3 millions less than in 1939, a decline of just under 1%. Preliminary estimates of the amount of insurance in force, however, are that it will show an increase over the preceding year. Many companies in 1940 concentrated much of their attention on conserving business already on their books rather than making new sales.

For December the volume of ordinary insurance sold was $33.7 millions or about 3% less than the year before. Increases were shown in Ontario, Prince Edward Island and Quebec.

Comparative figures for the month and recent years follow:

Life Insurance Sales in Canada and Newfoundland
December

	— 000's of $ —		Change
	1940	1939	%
Alberta	1,482	1,834	—19.2
Br. Columbia	2,453	3,063	—19.8
Manitoba	1,768	1,958	—9.7
New Brunswick	458	932	—50.8
Nova Scotia	1,418	1,579	—10.2
Ontario	14,400	14,104	+2.1
P. E. I.	230	215	+6.9
Quebec	9,974	9,205	+8.3
Saskatchewan	781	1,472	—46.9
Newfoundland	363	397	—8.5
Total	33,727	34,759	—2.9

Sales by Months, 1937-1940
(000's of $)

	1937	1938	1939	1940
Jan.	27,789	31,287	28,767	23,726
Feb.	30,619	31,796	29,202	31,820
Mar.	32,322	33,461	31,710	30,265
Apr.	32,562	30,612	26,357	32,248
May	31,916	31,016	30,123	31,779
June	37,908	35,660	32,226	28,530
July	32,040	30,635	20,902	28,159
Aug.	28,411	28,446	26,494	24,693
Sept.	27,730	27,928	34,252	26,156
Oct.	33,416	32,372	31,900	31,210
Nov.	38,020	37,167	33,034	32,899
Dec.	37,125	36,475	34,759	33,727
Totals	379,905	386,855	368,726	365,217

Bond Sales

Treasury Bills

Latest issue of $40 millions of Dominion of Canada Treasury bills dated Apr. 18, 1941, sold for 99.84119 or a yield basis of 0.631%. This compares with the preceding issue at the end of December for $35 millions at 99.838 to yield 0.643%. The present issue does not increase the total of treasury bills outstanding.

"Where do you bank?"

"The Bank of Toronto—I like the friendly atmosphere and their viewpoint on banker-client relationship, which make it easy to discuss financial matters with them."

THE BANK OF TORONTO
Incorporated 1855

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED
5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000
Reserve Fund, $2,400,000

Banking Service
1817-1940
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £130 millions.
Over 900 branches in Australia, New Zealand & Pacific Islands.
London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

FOURTH ARM OF DEFENCE

GOODS WIN THROUGH
BRITAIN WILL TOO

This packing case is a symbol. The stencilled lettering on it reflects the spirit of a great nation. On one side, as you see, is printed "Goods Win Through, Britain Will Too." On the other, "Britain Delivers The Goods."

"Delivering The Goods" has been called the fourth arm of defence because it's the export trade of Britain that supplies so much of the money to buy her ships and shells and planes. The more you buy British, the steelier grow the British defences, the stouter the Empire's life-line.

This store is sparing no effort to bring customers fine assortments of British goods, of traditional British quality—china, linens, hats, silverware, blankets, socks, handbags, soaps, handkerchiefs, gloves, scarfs, coats, sweaters, razors, pipes . . . and many other things.

Smoke pouring out of factory chimneys means money pouring in to fill the urgent needs of war. It's good business to buy British.

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Canada Looks South

Canada's Great Competitor—The Argentine

By RONALD A. McEACHERN
Staff Writer, The Financial Post

BUENOS AIRES, ARGENTINA.—The vast Andes range is just the rougher, tougher and higher South American continuation of the Rocky Mountain chain. When I was jangled out of bed at 4 o'clock in the morning in Santiago the other day I expected the most exciting day of flight so far. Flying over the Andes was, I had heard in every waiting room along the route, the best thing air travel passengers can expect anywhere in the world.

R. A. McEACHERN

The air line people are efficient and tolerant shepherds of their flocks. A white capped, blue uniformed clerk comes round to the hotel with his list of passengers. He supervises the telephoning to the rooms—and the repeated telephoning if the response is unconvincing.

The four o'clock call was a surprise. Our ship was supposed to go at 8.30. Someone let slip the fact that the other airliner on the run had just been wrecked. Our ship had to do double duty—Santiago to Buenos Aires and return—all in the one day. It later came out that the wreck was caused by a windstorm which tore the sister ship loose from her moorings.

Airplane travel has its leisurely, stagecoaching aspects. The airline clerk rushed no one over breakfast. And like the "station bus," familiar of old in the smaller towns and villages of Canada he made a couple of calls at private houses to awaken and collect more local passengers.

The first range of the Andes rises right behind Santiago. Our machine circled several times to get height before streaking eastward.

You fly through, not over the Andes.

The airline route follows the main mountain pass that is used also by railway and highway. You look up at—not down on—some of the highest mountain peaks in the world.

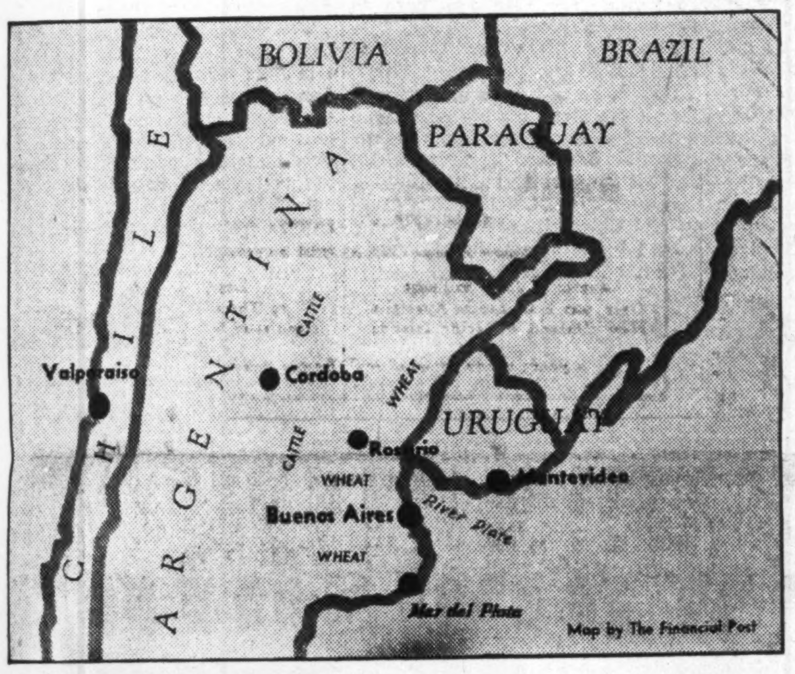
The plane threads its way through the pass with twists and turns and banks like a canoe following a stream. The vast mountainsides of dazzling snow seem as close as the roadside. The wing tips, you think miss the great jagged cliffs by inches. There is nothing visible of known size. Thus one has no sense of distance or proportion. The passengers crowded to one side to look down on the famous statue of Christ reared in the desolate mountains as a token of perpetual peace between Chile and the Argentine.

The oxygen apparatus on the plane wasn't working There was a soreness over the heart. It was galloping but nothing more.

Most of the flight was at 16,000 feet and the big peaks run up to 24,000 feet so there was nothing stratospheric about it.

Our pilot said it was the smoothest trip he had had in several years on the run. He said nothing whatever of the passengers who ignored the warnings about the seat belt and were tossed out of their seats, bang against the ceiling; or of kitchen gear breaking loose and hurtling as dangerous missiles about the plane.

The Buenos Aires airport is a full hour of fast driving from the heart of the city. Any city of four million is widely spread out but the remoteness of this airport is always explained in libellous superlatives about politicians.



Map by The Financial Post

A Different Climate

The west coast of South America is the cool—that is the relatively cool—rainless side. Buenos Aires, on the east side isn't much surprised at 110 deg. Fahr summer heat, with humidity enough to make even the cats look as if they were just out of the rain barrel.

Like a naked man wearing a silk hat is one way the Argentine and its capital has been described. For rich, magnificent and modern Buenos Aires is little more Argentina than Casa Loma is Toronto.

Lining both sides of the Florida, (the street closed to vehicle traffic during the tea hour when walks and roadway are jammed with swank strollers) is a concentration of super-smart shops as impressive as any other 15 blocks in New York or in the Paris that was. But hardly 20 miles from the outskirts of this New York of the southern hemisphere, begins the real Argentine, where farmers work and die without ever visiting the metropolis, where life for the great estancieros and their retainers is as placid, rich and fuedal as it was decades ago.

In the camp (country) as everything outside Buenos Aires is known, the Argentino still wears his rope-soled sandals. But in Buenos Aires there are only snickers for the few matrons who dare to play duenna to their daughters.

Among the families of tradition and wealth, it is still tantamount to an engagement for marriage when a man has gone out with the same girl twice. But Buenos Aires now has a great middle class. They see many American motion pictures and, according to the word of several residents, here, the past 10 years have gone a long way to work a revolution in social codes.

Great Cosmopolitan City

Like New York, Buenos Aires is the great cosmopolitan city of the south, 95% of its population being immigrant. Unlike all the other countries of the south, Argentina's Indian population is very small and Indian blood—even in traces—is much less than common. Argentine, along with Uruguay, has been built on immigration from Europe; partly Spanish, English, Scots, and Irish—especially Irish here—and Lithuanians, Jugoslavs and 50 other races of Europe and the east. In 1870 the population was under two millions. In the years 1921 to 1929 immigration alone totalled almost 2.5 millions. Now this country has about 13 millions, an increase of 60% since the opening of the previous war.

This newness, this mixture of races, this uprootedness of immigrant communities, plus the fabulously productive camp, seem to help explain why this is such a pushing, drastic kind of city.

Its natural beauties are about those of Regina or Moose Jaw. It is just fertile plain without any more geographic decoration than a wheat farm. Buenos Aires started as a slaughter house in the mud beside the sluggish mud-filled mouth of the La Plata. Then a canoe would ground anywhere in the harbor. After decades of dredging, building breakwaters and so on, Buenos Aires now has a magnificent harbor.

Drastic Rebuilding

To celebrate its centenary of independence back in 1910, four city blocks of five- or six-story buildings were torn out, a lake created, walks laid out, trees and lawns planted The city streets today are lined with trees, but they were all imported, all planted. In four years enough trees were planted to shade both sidewalks for 80 miles. There is a forest reserve of 90,000 acres about 20 minutes from the heart of the city. They have been repeating developments like that ever since. Whenever the need for a marvellous new street is felt, they simply buy up buildings, knock them down and get their magnificent new boulevard. There are super streets both for traffic and beauty.

Buenos Aires doesn't have any bull fights but it gets crowds of 90,000 out to soccer, It is supposed to be centre of the white slave business and has been heralded as Paris's heir in the western world as a sin and night life capital centre. But there are stiff regulations regarding the types of business into which young ladies may or may not go. B. A. has only two or three night clubs. Tourists are the main customers. Smartest night spot in town is the Plaza Hotel bar where fat drinks or good cocktails cost about 23 cents Canadian. It is usually deserted well before midnight.

Harrod's is the Saturday afternoon rendezvous of Buenos Aires. Yes, Harrod's is the same as London's, same ownership, same sales methods, same high quality. They came here years ago. Down the street they own the biggest department store in town, Gathe and Chaves, which also has about 19 branches around the Argentine. This is a more middle-class enterprise. Across the street is Casa Tow, owned by the great British merchandising house of Whiteaway, Laidlaw & Co., which has some 40 stores in India, China, Malay and so on. I had a talk with J. F. Kent, manager of Casa Tow. He often visits Canada and United States. He says that the three stores mentioned do about 60% of the retail business in Buenos Aires, also that net profit isn't satisfactory unless it is at least 7% on the investment. The comparable figure for the United States is about 1.67%.

—Photo by George T. Cockshutt, Brantford.

The Cavendish Building is the highest structure in Buenos Aires, the greatest cosmopolitan metropolis of the Argentine.

—Pan American Airways photo.

"You fly through, not over the Andes. The plane threads its way through the pass with twists and turns and banks like a canoe following a stream. The vast mountainsides of dazzling snow seem as close as the roadside. The wing tips, you think, miss the great jagged cliffs by inches."

Famous Jockey Club

The Jockey Club here is perhaps the wealthiest, certainly one of the most famous in the world. Its building, down Florida, is as big as a couple of cathedrals, dark and gloomy both inside and out, but stuffed with treasures. The Club not only charges high fees, but it owns the two big race courses here and racing is the big popular sport for rich and poor. Every year the Club spends some of its profits on fine new pictures, tapestries, works of art and things of that nature and is becoming one of the finest museums or art galleries in the country. You could drive three cars abreast down the main staircase from the third story to the ground.

But this sort of thing is not the real Argentina, Canada's greatest rival in the farm export field. You find that out in the country. Beef and wheat are trumps and the inevitable problems of too many eggs in too few baskets are this great and dynamic country's big headache.

The Argentine needs and wants thousands of things that the industries of North America want to sell. But farm votes are big in both Canada and the United States, and no matter how valid the economic arguments that might be advanced governments do not plan any trade deals which would enrage the farmers.

Competitive With Canada

So the basic problem is that the Argentine and Canada and United States are economically competitive.

Everybody here talks about this predicament, including women around tea tables and men who wouldn't know a plough from a cultivator. They all say the solution is simple; that governments in North America should show courage. As the effects of the disruption of their previous trade with Europe hurt the Argentinos more and more, they grow increasingly angry against North America.

And the predicament of Canadian and United States governments is that diplomatic considerations, both now and in the future, make anything resembling unfriendliness down here more than unfortunate.

One of the top intelligentsia of Argentine affairs has just been made Intendente or mayor of Buenos Aires.

He is named by the President for three years, and is the man who actually runs the city. Dr. Carlos Alberto Pueyrredon, head of one of the great families here is the new man. Rich and highly educated in Europe and England, he is now slightly under middle years, has been ambassador for his country abroad at various intervals and has spent most of the rest of his time writing books of Argentine history and concerning himself with various special economic hobbies. A plan for co-ordination of transportation—rail, truck, air—is one of his main hobbies.

He has been one of the most vocal Argentinos in supporting the British cause. Dr. Pueyrredon was most anxious that I know his true feelings about Britain and the war. He pointed out that the cigarette he offered was English; that his suit was from London. And he is a big importer of prize bulls from Britain for his estancia.

However, I had gone to ask him about the Argentine's beef and wheat problem. The answer is very neatly arranged in his mind. What the Argentine needs from United States and Canada is a beef quota, limited in time and geography and quantity, he says.

A meat quota that would entirely satisfy his country, he says, would admit Argentine meat only during the North American winter. As for quantity, 100,000 tons would be ample. As for geography, Argentine meat need be sold only in the East.

"That," said the Intendente, "would solve the whole thing." North America's worries about hoof and mouth disease, he said, are inspired purely by North American producers and there would be no danger whatever when meat, not animals on the hoof, are imported.

Such an agreement could be readily made, he felt, if only the chief political parties would make a truce and stand together courageously against the howl from the farm voters.

He referred to the enormous industrial development that has been going on in the Argentine. He pointed out that though some of it might be considered uneconomic because of the need for importing raw materials, it was a development forced on the country by its meat and wheat economy and the unwillingness of other countries to trade here.

"We prefer British capital here to any other," he said, "because we find that it builds up the country, makes work and stays here and goes into other Argentine enterprises. It is not just in mortgages and that sort of thing that would do so little to help expand our economy."

From the Intendente and several other Argentine businessmen here with whom I talked I gathered that there is no feeling against foreign capital as such, a feeling which seems to be strong in some other countries, like Peru or perhaps Chile.

The growth of Argentine manufacturing industry is by far the most significant development here in recent years. Just prior to the first world war manufacturing got its start processing foodstuffs and making a few consumer products. During that war, inability to obtain supplies of manufactured commodities formerly imported resulted in the establishment of numerous industries, some of which continued to be important after the Armistice.

Secondary Industry Boosted

Other people's troubles again boosted Argentine industry. In the depression of the thirties, Argentine's export markets were curtailed. Duties were hoisted for revenue, the peso was devalued, exchange and quota controls were set up. All fostered industry here. This war is doing it again, the Minister of Finance, Dr. Frederico Pinedo, has drafted a big plan for mobilization of the nation's financial resources, a key point of which is utilization of the cash reserves of the shareholding banks without, it is affirmed, interfering with the normal relations between these banks and their depositors.

The Argentine has no iron, no coal and no water power. Chile has a lot of each but the two countries so far haven't been able to get together for mutual exploitation. The food, leather and cotton industries might be said to be about the only ones that now appear to be completely economic here. Most others must import raw or unfinished materials.

The big industries here are the ones already mentioned, plus silk and rayon textiles, flour, sugar, wine, beer, furniture, electrical appliances, tires, (such as Goodyear and Firestone), assembly of automobiles (mainly General Motors, Chrysler and Ford) and electrical appliances, drugs, chemicals, electric light bulbs, radios, phonograph records, motion picture films, perfumes and a host of others.

Industrial statistics are rather incomplete, but here is one measurement of the growth: between 1914 and 1935, the number engaged in industry here increased 42%. Between 1935 and 1937 there was another 25% increase. Informed estimates here are that the years since have brought another 50 or 50% increase. There are about 700,000 industrial workers and value of production is somewhere around $1.5 billion Canadian dollars annually.

Farm Exports Dominate

Agricultural and pastoral industries provide almost 95% of the Argentine's exports. About half of that amount was taken by Britain, the other half by continental Europe. The European market is almost completely closed. The British market has been declining. Except for wool and hides, the United States is not in position to consume any important part of the surpluses here. At the same time, the Argentine now has to get many of her necessities in North America.

There doesn't seem to be serious talk yet about restricting production, but there are very strict import regulations.

Canadian trade with the Argentine was about $3.3 millions exports and $3.1 millions imports before the world war and the first year of war was about $6.1 millions exports and $7 millions imports. About 20 brand new items in Canadian sales to the Argentine have appeared since war, including piping, copper wire, camera film, iron and steel.

The big item, of course, is newsprint. Some of the great daily newspapers here ordinarily carry relatively large stocks. These they were still further increasing in months prior to the collapse of France. The full impact of their new dependence on Canada has yet to be felt. La Nacion, for instance, is stocked for another year and a half, though it is a 40-page, seven day a week newspaper with an estimated circulation of almost 300,000.

Half a dozen Argentinos have asked

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American "No War" Advocates Old-time Friends of Germany

By SYDNEY MORRELL

Last week The Financial Post threw a spotlight for Canadians on "Hitler's unpaid U. S. allies"—the aggressive, well-backed groups seeking to isolate the U. S. from the war and force a negotiated peace. The advantage—perhaps unwitting—of these organizations to Germany is obvious. The first of a series of articles from New York by Sydney Morrell, former chief of the Central European bureau of the London Daily Express, dealt in detail with the sponsors and activities of the America First Committee, one of the newest and most strongly backed of these "native American" spearheads of appeasement.

In the following article, the second of the series, Mr. Morrell delves into the background and connections of the No Foreign War Committee. The "front man" and spokesman for this body has been Verne Marshall, explosive newspaper editor from Iowa, who has achieved widespread publicity in recent weeks.

NEW YORK.—Side by side with "America First," there grew up a new isolationist and appeaser organization, the No Foreign War Committee organized by Verne Marshall, the editor of the Cedar Rapids (Iowa) Gazette.

Mr. Marshall, who has referred to himself as "a little squirt from Iowa," is a great admirer of Colonel Lindbergh. He arrived in New York City a few weeks ago and installed himself in the Hotel Lexington. Then he proceeded to denounce the Committee to Defend America by Aiding the Allies, at the time headed by William Allen White of Kansas.

At first, he said he intended to carry the burden of his campaign on his own shoulders.

The "little squirt" later alleged, however, that he had an offer of backing from William Rhodes Davis, the international oil promoter and business-political negotiator. Mr. Davis sold oil from Mexico to Germany and Italy before the war. After the outbreak of war, he continued to sell it to Italy until Italy entered the war last summer. In return for this, Mr. Davis is said to have arranged for Mexicans a system whereby German goods were sold in Mexico on a 3% rebate basis.

Well-built, grey-haired, 51 years of age, and affable, Mr. Davis has often met Field Marshal Hermann Goering, Nazi leader. From one of these meetings, according to Verne Marshall, he returned to the United States late in 1939 with a peace plan endorsed by Goering. The State Department has declined to comment on this, contenting itself with the statement that "no feasible peace plan" has been received in Washington. The Davis outline reputedly laid down the terms on which Germany would make a deal for a negotiated peace.

Disturbed at the impression certain reports have created in the United States, Mr. Davis recently invited press representatives to call upon him, He denied backing the "little squirt from Iowa" or being connected with his organization, but admitted he was in sympathy with the aims of the No Foreign War Committee and similar organizations. He denied having sold expropriated oil to Germany since the outbreak of war, but admitted that he had done so before the war.

Questions which he declined to discuss included: His reported association in Mexico with Dr. Joachim H. Hertzlett, German war economic expert; the reported German peace plan; and whether he had contributed anything to presidential campaign expenditures.

Whatever the links (if any) between Mr. Davis and Verne Marshall, they hold almost identical views to the effect that the United States should isolate itself from the war and seek to bring it to an end by a negotiated peace. They both seek to end the war immediately though they ignore the obvious implication that this would mean Germany's retention of all or most conquered territories.

However, Mr. Davis has denied in a prepared public statement that he favors ending the war "on Hitler's terms," as suggested in some reports. In the same statement he announced that he had appealed to Senator Burton K. Wheeler, as chairman of a Congress committee to probe persons or groups suspected of aiding foreign governments, for a hearing to clear himself of "unfair and malicious" charges against him. At latest reports, it appeared that such a hearing would be given him.

It is perhaps a coincidence that Senator Wheeler, to whom he chose to appeal for "an impartial investigation" of his activities, should be the leader of the isolationist-peace-deal bloc in Congress. If a coincidence, it would certainly seem to be a most convenient and favorable one for Mr. Davis. As was reported in last week's article, Senator Wheeler's wife is a director of the America First Committee.

While he has denied being a backer or connected with the No Foreign War Committee, published reports have continued to link him with the organization as at least a sympathizer and moral supporter. And thus far, he has neither confirmed nor denied the persistent reports that he took a proposal for a negotiated peace to Washington late in 1939.

Whatever may develop in this regard, available records show that Mr. Davis has had both business and political dealings in Germany over a period of years. These date back at least to 1933, long before his deals in 1938-39 for exchange of $17 millions of expropriated Mexican oil for German machinery and merchandise. The war and the British blockade prevented complete consummation of this project, and later of the similar Italian deal.

Mr. Davis's chief interests and wealth appear to stem from extensive holdings of oil wells and oil development concerns, in Texas and other southern states. He also controls oil storage and distribution facilities in these states, and, at least up to the start of the war, had similar operations in Scandinavia.

It was his interest in the Danish oil market that led him, in 1933-34, to promote a scheme for the First National Bank of Boston to liquidate a credit of blocked marks in Germany. This involved the building and operation of an oil refinery at Hamburg with the frozen marks, and the sale of part of the refined products in Scandinavia. This effort to net for the Boston bank foreign exchange convertible into dollars quickly ran into difficulties in marketing. Since the war, the refinery has been under German control.

Much less light is available on Mr. Davis's political connections in Germany and his ability to carry proposals from high Nazi officials. However, his status in this regard is given the highest rating by the truculent Verne Marshall, front man for the No Foreign War Committee. In one of his frequent and usually bel-

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Canada's Great Competitor

(Continued from page 11)

me why Canada won't buy Argentine wines. People who know wines tell me they are extremely good and very cheap.

This being midsummer and the holiday season I discovered that many influential people of the country were away at Mar del Plata, Argentine's biggest seaside resort, so I followed.

Refugees From Hitler

Mar del Plata seems to consist chiefly of the gambling casino, hotels and people who live off the tourists. This year it has an enormous number of Hitler refugees. It's overnight south by train from Buenos Aires, some 275 miles, and I was able to verify what I was told by the English general manager of one of the railways: that fares are about one third those in North America. For $18 Canadians can make the trip here and back to Buenos Aires with two nights on the train.

Most of the railway equipment in the past came from Germany and some of the latest came from Hungary, consequently it's all continental style. Freight cars are short, stubby and grey. Engines do a lot of shrill sounding toot that every traveller to France remembers with amusement. Gauge is wider than ours. The roadbed on the trip I took was better than most in Canada.

The station of the Southern, which I travelled, does not discourage travel by imposing a half-mile walk to start off with. Taxis enter the station by a long ramp; you give the driver the number of your car, he travels the indoor roadway down beside the train and deposits you 20 ft. from the place you are going to sleep.

No Luxury Trains

First class here is approximately third class in peacetime Europe so far as elegance goes. Coaches are nearly all wooden and sanitary arrangements primitive. Luxury trains have been tried but they didn't bring in the passengers, the railway manager told me, and low fares are the only hope, hence great moderation in service and swank. While there are hardly any grades, cuts or fills, the country has hardly any gravel or stone and roadbed upkeep is high. A recent heavy rainstorm, for instance, washed out scores of miles of track and washed up traffic for days.

The Southern is British owned, is losing much money, like all here. Dickers are now under way to have it bought by or sold to the Argentine Government. After long experience its general labor policy is to use Italian engineers and operating crews, and Argentine service crews (waiters, porters, trainmen, etc.)

At Chapadmalal, one of the famous, rich estancias, 10 miles outside Mar del Plata, I spent most of a day. I was guest of the Marquesa de Salamanca, who, with her two brothers, owns and operates this ranch and stud farm.

With its 14,000 acres it rates as only a big "little estancia" in these parts. The family story of its owners is typical of that of many others which are now rich and old families of this country.

The first Martinez de Hoz (the maiden name of the Marquesa) came to South America about 1900 from the Basque country of Spain.

In the early years cattle were the only "crop" on the softly rolling prairie where there is rich fodder winter as well as summer and the only thing sold was hides. Refrigeration had yet to be developed, hence save for the insignificant amount that could be eaten at the estancias, meat was burned or left to dispose of itself.

The family fortunes waxed, even on hides. The heir of the Spanish immigrant had 10 sons. For education he scattered them about Europe like a Rothschild—England, France, Italy, Germany and Spain. Their education done, they returned to South America, bought more land, developed estancias of their own.

Educated in England

The English-educated son, Miguel Frederico, returned to develop Chapadmalal around 1890. He had been sent to England at four years of age, remained there until 21. He got his estancias into operation just when refrigeration was discovered, just when science made possible the transport of incomparable Argentine steaks to meat-hungry markets of Europe. If the profits in hides were big, the profits of hides, plus beef, were much bigger.

Don Miguel Frederico, with 15 years of England behind him, now enjoyed himself spending profits in building a 100-room country mansion, with two Tudor towers, now dripping with ivy, and designed by an English architect. The set out formal gardens turned a fertile wilderness into an English estate.

His three children, the Marquesa and his two sons, Jose Alfonso and Miguel, are now the operators. Both sons were educated at Eton, and family plans for Oxford were interrupted by the first big war.

From the big office building in the financial district of Buenos Aires, the two sons direct operations at the ranch—with considerable interested and highly informed advice from their sister, the Marquesa, I am informed—and spend three or four months each summer in the big house on the estancia.

When I say direct operations, that means direct.

The estancia is divided into about 10 different departments: stallions, bulls, sheep, pedigree cattle, ordinary cattle, polo and ordinary horses, general agriculture (wheat, corn, potatoes, alfalfa, etc.), and garden. Another department handles the working staff, now about 140 workers.

Heading each department is a foreman, usually an Argentino. William Clayton (bulls department) seems to be the only foreigner. He's been in the country 20 years. These men have their separate houses, most of them wives and children.

General manager of the entire operation is Andrew Elliott, uncle of Walter Elliott, for many years Britain's Minister of Agriculture. Andrew Elliott and his wife are both from Selkirkshire, Scotland, both as Scottish and as much exiles as when they came to the Argentine 30 years ago.

Strict Supervision

It has long been my private suspicion that the average Canadian farmer didn't do nearly enough bookkeeping and that the gentleman or playboy farmer was scared to. Here's the Chapadmalal system.

Manager Elliott is up at 3.30 a.m. At four, the foreman of each of the departments come and report to him, get their orders for the day, go off to organize their gangs of peons or gauchos who have just finished breakfast. The foremen again report at two in the afternoon and when the work day is finished at sundown, there is a third report. A private telephone system covering the various "posts" some of which are miles away from headquarters, meet in-between needs.

There are three words about the Argentine that seemed to be used wrongly or certainly without understanding.

Pampa is a province of the Argentine as Manitoba is of Canada. It is not particularly distinguished from the rest either by climate or terrain. The correct word for Argentine farming country is unromantically "the camp."

Gaucho means a young man who works for about 50 pesos a month with his keep and likely wears a shirt with collar attached, like yours or mine, of any color, perhaps with a bit of black silk scarf around his neck, bombaches and rope-soled sandals, called alpargatas. The bombaches are baggy pantaloons. A knife about 20 inches long stuck through his belt at the small of his back completes the costume. He eats mainly meat, takes a roast big enough for six Canadians in one hand, gets his teeth into it, then with an upward stroke of his long knife just past the tip of his nose, cuts off each successive bite.

The estanciero with the big estates almost completely dominate the agricultural picture. For instance, there are 12 families who own more than 600,000 acres of land each in the province of Buenos Aires alone.

Perhaps to some extent the big landholding families are, as most Argentines will tell you, breaking down, natural casualties of the passing time. Spanish law requires that all children share an estate equally. Everyone here points to that law as certain proof that the size of the landholdings is being reduced, that in years to come the big estates will be gone.

Agriculture Depressed

War and the collapse of the European market means that Argentine and agriculture is now in depression. The Argentine government is buying unexportable surpluses at minimum prices, but those prices are far too low to satisfy the farmers I talked to and they are low compared with going pre-war prices.

As in the rest of South America, Canadians have a useful function as a link between the British and the Americans. The British seem to keep pretty much to themselves and the Americans keep to themselves, but the Canadians mix with both. There is an English club in Buenos Aires—as English as exiles can make it and an American club which is just as strongly American and where, for the first time in the whole of South America you hear people calling for Manhattans and Bronxes. Otherwise the universal drink in business circles (and this applies to real South Americans as much as to anybody else) is a whisky soda. From my samples of American club food with Clifford Marr of Sun Life, I gathered that this club also seems to hold firmly to American food and American size servings. The 15 pounds of meat that the Argentinos consider a light lunch doesn't go there.

Being Canadian in these parts is just about the best possible, from all accounts. The Argentino sees Canada as a country something like his own. He has something against both British and Americans, but nothing against Canadians. The Canadians, on the other hand, find that they can get along well with Argentinos and get along better with both Americans and British than those two groups can between themselves.

One of the most militant Canadians I have met anywhere is Senora Serge de Garcia Uriburu, wife of the Argentine's former ambassador to France, now retired. Her maiden name is Gabrielle Methot.

Madame comes from Arthabaska, from the farm next to the old Laurier homestead, and throughout dinner she chattered in a dazzling mixture of French, Spanish and English about French-Canadian politics, past and present. She has had quite a distinguished career in London and Paris as pianist and teacher, and had the German name rubbed off the front of her grand piano at the outbreak of war.

The Garcia Uriburu's are now refugees. True, the Uriburu's here are definitely one of the great Argentine families. They have had at least one president in the family. But for Madame, France, or Canada or England is home but nowhere else. She and her handsome young son Ricardo—who incidentally may be coming to Canada for university—had a wild escape from Paris only a few hours ahead of the German entry.

Clifford Marr, sales chief here for Sun Life, is a walking advertisement for Canada. Endowed with keen personality and a crown of white hair over his young (40) face, he seems to be everywhere anybody else is; buzzes about the various clubs, and for years has been making a barrage of speeches about Canada to audiences wherever he can find them.

E. C. Groning, manager here of the Royal Bank, took me to lunch where I met Wilfred Mosler, assistant manager, a native of Windsor, N.S., James Strong, Canadian Trade Commissioner, and Mark Ballinger, Argentine chief for Sun Life of Canada. Mr. Groning had been manager for the Royal in Paris for many years and was transferred here only 16 months ago. He was born in Bordeaux, France.

Some of the other Canadians around here are:

George McLellan, an executive at the Ducilo plant, the big new rayon enterprise owned by Duperial, the Imperial Chemical Industries and Dupont combination;

Aubrey Sievert, a 1925 SPS graduate of University of Toronto, doing a big job with Aluminium Company of South America;

A. K. Sills from Kingston, resident secretary of Sun Life Assurance.

Fat, jolly and personality-plus W. C. Clark, who has been here for years with West India Oil, Standard subsidiary.

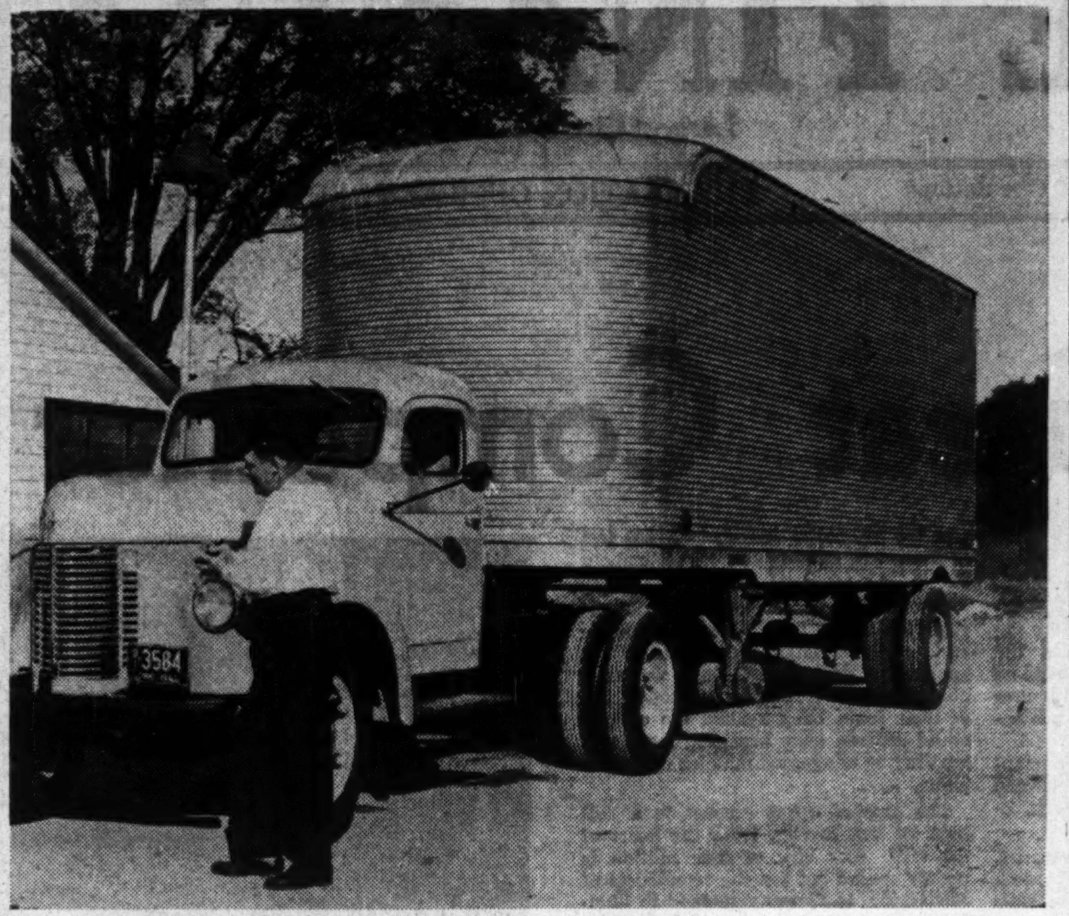
Angus McKinnon of Winnipeg, chief accountant for Swift's at Rosario.

Robert Gillies, of Cobourg, Comptroller for Swift's in B. A., who imported his wife from Winnipeg.

A granddaughter of Sir Charles Tupper is here, Emma Tupper Harris, wife of Stanley Harris of the British chamber of commerce.

Two very prominent families here have close links with Canada. Captain John Murchison of Nova Scotia brought the first passenger ship of the famous old Nelson line into this port over 55 years ago. When he retired he settled and founded a stevedoring business. It is now a great enterprise run by his four sons—and probably in part by some of his four daughters.

Cyril Atkinson was born in Cobalt, Ont., and educated at University of Toronto. Now he is bigwig of Atkinson's perfume, etc. plant, one of the big sellers in the line both in Britain and here. He has married the daughter of a rich estanciero.



INTERNATIONAL OFFERS NEW TRUCK MODELS

Choice of five truck models in the light delivery and light duty classes, with capacities from half-ton to 1½ tons, is offered in the new line of models in this group recently introduced by International Harvester Co. of Canada. Built at the company's plant at Chatham, Ont., the models have wheelbases ranging from 113 to 177 inches, improved power and economy of engines, new type hydraulic brakes, and various other advances in styling and design. Above is pictured the new model K-5 adapted to haul trailer.

American 'No War' Advocates Old-time Friends of Germany

(Continued from page 11)

ligerent statements, Mr. Marshall declared Mr. Davis, "the best man in the United States," to get all countries in the war to agree to negotiate for peace.

But of late there has been increasing evidence that Mr. Marshall's activities, and his feverish public outbursts, have been simultaneously losing his support and rousing widespread hostility. Only last week it was reported in the New York newspaper PM that his original backers were preparing to oust him or withdraw their support. Reasons given by PM for this development included:

> The bad press Marshall got from his "wild statements," such as one to the effect that he didn't care who won the war.
>
> He was attracting too large a percentage of "crackpots, pro-Nazis and Anglophobes."

In addition to this report, O. K. Armstrong, member and field director of Marshall's group, resigned from the organization. He said "public suspicion" had been created as to the backing of the group.

Attracts U. S. Nazis

Also the subject of publicity was Mr. Marshall's delivery of a speech to a meeting which included large delegations from the Christian Front, Christian Mobilizers, German-American Bund, and other anti-Semitic, Fascist groups. Leaders of the first two groups were present at the gathering, which was sponsored by the New York Committee to Keep America Out of War, headed by a supporter of Father Coughlin, the radio priest. The audience booed even the remotest reference to Great Britain, Churchill or anything else British.

It has also been noted that the week that Mr. Marshall's group got under way, Bund adherents in the German section of New York passed out buttons bearing the slogan: "No Foreign Wars." And Dorothy Thompson, widely syndicated columnist, has pointed to the support given appeasement groups by Bund publications.

Miss Thompson has also rebuked Verne Marshall for "living in the realm of fantasy" when he claims Goering made a peace proposal through W. R. Davis. She wrote:

"Does not Mr. Marshall know that Goering, since long before this war, has used addlepated businessmen bent on consummating deals as his 'peace' emissaries to quiet the victim, and confuse his victim's mind while he gets ready to destroy him?"

Despite the somewhat rambunctious tactics of Mr. Marshall, much of the financing for his No Foreign War Committee reportedly came from Wall Street or from wealthy sources allied with it. Serving as treasurer of the Committee was Robert Lancaster, of Winthrop, Mitchell & Co., investment bankers. Linked with the committee have been individuals allied with Scribner's Commentator, the magazine of appeasement and one of the main facets of the isolation-peace-deal movement.

A further article in the series, to appear in an early issue of The Post, will deal with the effort to send U. S. food supplies into Nazi-conquered territories, the Irish Republican agitation in the U. S., and other phases of the campaign threatening to hamper Britain and aid the Nazis.

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Canadian Industries Limited
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Canadian Pacific Railway
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Dominion of Canada Gen. Ins. Co.
Dominion Stores Ltd.
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General Trust of Canada
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Great West Life Assurance Co.
Huron & Erie Mortgage Corpn.
Imperial Bank of Canada
Imperial Life Assurance Co.
International Loan Co.
International Paints Ltd.
Lake of the Woods Milling Co.
London Life Insurance Co.
Liverpool Corn Trade Exchange
Lumberman's Mutual Casualty Co.
Manufacturers Life Insurance Co.
Maple Leaf Milling Co.
McColl-Frontenac Oil Co.
Metropolitan Life Insurance Co.
The Monarch Life Assurance Co.
Bank of Montreal
Montreal City & District Savings Bank
Montreal Tramways Company
Mutual Life Assurance Co.
National Breweries Ltd.
National Life Assurance Co.
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New York Life Insurance Co.
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Royal Insurance Company Ltd.
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The Royal Bank of Canada
St. Paul Fire & Marine Ins. Co.
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Trusts & Guarantee Co.
United Distillers Ltd.
Victoria Trust & Savings Co.
Wabasso Cotton Co. Limited
Waterloo Trust & Savings Co.
Wawanesa Mutual Insurance Co.
Wellington Fire Insurance Co.
Western Grocers Limited
Western Homes Ltd.
Western Life Assurance Co.
Western Savings & Loan Assoc.
Zellers Limited

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Pulp and Paper Industry

United States Uses More Canadian Newsprint

68% of 1940 Needs Supplied by This Country —European Mills Practically Out of Market

From Our Own Correspondent

MONTREAL. — Apparent consumption of newsprint paper in the United States, the world's largest market, amounted to just short of 3.7 million tons in 1940. The American Newspaper Publishers Association further reports that this represents an increase of 4.6% over 1939 and was about 128,000 tons under the record total for 1937.

Feature of the returns last year was the greater dependency of the States upon Canada for newsprint supplies. This country supplied 68% of the total supply in 1940. This is the highest proportion ever reached and is on a par with the former record year of 1937. Compared with 1939, the returns for last year show a gain of nearly 10%.

Island Sets Record

Newfoundland also bettered its position, supplying 5% of the States' total requirements, as against 3% the year before. In no previous year have the Island mills had such a large share of the American market.

The proportion of the American market met by domestic mills last year did not show any change, remaining at 26%.

Gains recorded by Canada and Newfoundland were at the expense of European mills which were practically cut off from the American market. Over a period of years European mills had built up their trade in the States to a point where they were supplying as much as 9% of total requirements. Last year, however, the percentage dropped to 1%.

Trend of U. S. Supply

The sources of the United States' newsprint requirements on a percentage basis are shown in the following table covering the trend since 1913:

Sources of U. S. Supply
% of Total

	Can.	Nfld.	N. S.	Eur.
1940	68	5	26	1
1939	62	3	26	9
1938	63	2	27	8
1937	68	3	22	7
1936	66	3	25	6
1935	62	4	28	6
1934	62	4	30	4
1929	57	4	36	3
1926	47	3	47	3
1913	15	—	85	—

Canada Largest Source

Total supply of newsprint paper made available to the United States' market last year was 3,798,120 tons. Canada supplied 2,594,452 tons of this total and Newfoundland 172,903 tons. Practically all of the rest came from domestic sources.

The source of supply last year, together with comparative figures for the year before, follows:

U. S. Sources of Supply
(In Tons)

	1940	1939
Domestic	998,378	942,240
Canada	2,594,452	2,194,126
Newfoundland	172,903	100,333
Europe	*32,387	310,216
Total	3,798,120	3,546,915

More Than Needed

There was an oversupply of newsprint to the United States last year. Supply made available was 103,000 more than apparent consumption. This figure also checks with the increase in stocks as reported by publishers.

The gain was due primarily to the desire on the part of the publishers to protect their inventory position against unforeseen breaks in supply. Other factors bearing on the increased stocks were the necessity of keeping a larger supply of paper on hand to take care of "news breaks," and in one or two isolated cases, a hedge against a price rise. The latter was a minor factor as the manufacturers had previously indicated their intention of holding prices to a stable level in order to ensure regular marketings. The gain also may be attributed in part to the more even deliveries called for by publishers in order to equalize production over the year.

Net Gain 103,000 Tons

A recapitulation shows that 3,798,120 tons of paper were made available to the American market last year. The apparent consumption was 3,694,634, leaving net gain in stocks of 103,486 tons.

At the end of 1940 the publishers' stock position was estimated at 529,055 tons. This compares with 424,860 tons at the beginning of the year, an increase of 104,186 tons.

The figures on stocks, as worked out by the two methods, show comparatively little difference — less than 1,000 tons, or a fraction under 1%.

More Reader Interest

Figures now available would indicate that the increase in consumption of newsprint paper by American publishers during 1940 was due more to wider reader interest than to pick up in advertising volume.

Newspaper advertising linage in 52 key American cities for 1940, according to Media Records Inc., amounted to 1,268.6 million lines. This represented an increase of 2.0% over that reported for 1939.

The experience of other papers follows the same general pattern as in the case of those papers published in the key cities, so that total volume of advertising in the American press last year was up around 2%.

Due to Circulation

Normally the volume of advertising governs the size of a newspaper and in turn volume of newsprint paper used. Had there been no change in circulation, the quantity of newsprint used in the States last year should have increased by 2%, instead of which it increased 4.6%.

This, in face of the savings put into effect by many publishers, leads to the conclusion that the war and national news greatly broadened circulation among American papers last year. So far there are no figures available to indicate circulation gains over the past year. In 1939 the total daily average of circulation was 39.7 millions, while Sunday papers reported an average of 31.5 millions. The figures for 1940 are expected to show relatively substantial gains in both groups of papers.

THE PROVINCIAL BANK OF CANADA

40th ANNUAL MEETING HELD IN MONTREAL, THURSDAY, JANUARY 9th, 1941

Chs. A. Roy, President, reviews business trends in the light of war effort.

Refers to economic and fiscal problems.

Recommends savings by governments and individuals

In his address to the Shareholders the President, Charles A. Roy, makes a careful appraisal of the present economic and financial situation and refers to the "tragic collapse of France and Belgium last summer," which he qualifies very disturbing, "as it was thought here that these countries would be of great assistance in helping win the war".

Mr. Charles A. Roy points out that: "The swiftness of military events in Europe hastened the adoption by our Canadian Government of special war measures, and as was natural, these extraordinary enactments led to certain unfavourable economic repercussions in some districts which, fortunately were of short duration."

Dealing with some of the problems our country has to face to help Great Britain win the war, the President of the Bank says: "The country's manufacturing establishments, generally well equipped to handle normal domestic and export business, are now faced with the problem of supplying those demands and, at the same time gear up their organizations for the manufacture of war materials and supplies in large quantities, for prompt delivery." He notes "that substantial progress has been made to take care of the emergency."

In connection with war industries Mr. Roy states: "During the latter part of 1940, the construction of many new plants for the manufacture of munitions and armaments was undertaken on behalf of the Department of Munitions and Supplies and the British War Supply Board. It is expected that these plants will have come into production before the end of 1941. In other plants, every effort is being made to relieve the situation by adding equipment, working overtime, employing extra shifts."

Referring to the mining industry Mr. Roy states that "the exigencies of war, during the year, have played a part in promoting the growing activity in the base metal industry.

"Agriculture," he says, "although the expansion has been less marked than in the metal or other industries, is no less valuable. The bountiful crop estimated by the Dominion Bureau of Statistics, at $648,000,000. proves particularly favourable because large quantities of farm produce are required for the fighting forces as well as for the population in the countries of our allies." Reference is made on the cost of living, as recently reported by the War Time Prices and Trade Board, as having increased only 7% during the past eighteen months."

Referring to the Banks Mr. Roy emphasizes: "The Banks' shares in the effort to win the war is less spectacular than that of the industries engaged in war contracts, but is equally effective in their ready and continuous support of those of their customers who are so engaged."

"Our financial policies had to be shaped to meet new requirements," he continues. "New levies had to be made through the National Defence and Excess Profit Taxes. The Income tax rate which has been raised will be felt keenly by individuals and corporations and the latter, through the operation of the Income and Excess Profit Taxes, will be called upon to turn over to the Government not less than 30% of their net annual profits. The Government has also had to, and will probably continue to resort to large borrowings to take care of part of the cost of its substantial military program."

The President rightfully cautions that "the expansion of conditions in the manufacturing and mining field and the improvement in general business and employment does not mean, in time of war, real prosperity but merely represents the effort of the country to help win the war. The present conditions will not go on indefinitely, there will be an end and, concurrently some readjustments will take place that may prove a hardship to many people."

The President of the Bank urges "careful management of public affairs, sound financial policies and the practice of economy by individuals." "The requisites," he declares, "are the need of the present and constitute a cushion for the future."

In concluding his address Mr. Roy says: "Having to finance temporarily part of Great Britain's war expenditures, in addition to our own important contribution, it is obvious that the desired result can only be achieved by the devotion to the national purpose. This means complete cooperation between Governments, and all elements of industry, finance, commerce, and agriculture."

GENERAL MANAGER'S COMMENTS

In addressing the meeting, Mr. Boyer dealt chiefly with the Bank's operations during the past year. He pointed out that taxes had increased and that operating costs had been higher.

He stated that the profits for the year stood at $436,684., and that out of these profits a provision of $145,600 was made for federal and provincial taxes; $50,000 appropriated for depreciation on real estate, and that dividends, at the rate of 6%, representing the sum of $240,000, were paid. The balance carried at the credit of Profits & Loss account was $248,992.

Cash on hand, cheques on other banks, deposits with the Bank of Canada and other banks, amounting to $11,349,497, were $2,400,000 in excess of last year. Quick assets totalling $37,083,570 are equivalent to the ratio of 77% of liabilities to the public. A slight decrease in deposits by the public, which at the end of the year totalled $46,359,527, was due largely, Mr. Boyer said, to subscriptions to the war loans, provincial loans and to the withdrawal in some cases of surplus funds for use in business as a result of greater activity in that field. "This expansion," he pointed out, "has been principally of an industrious character and arises in large part from war contracts, which amount to several million dollars. Some 300,000 men had been unemployed, were now either working in factories, on construction jobs or in the different fields of transportation, while others were on military service. Pay rolls have been appreciably added to, and total salaries paid are estimated as being 30% higher than in 1939."

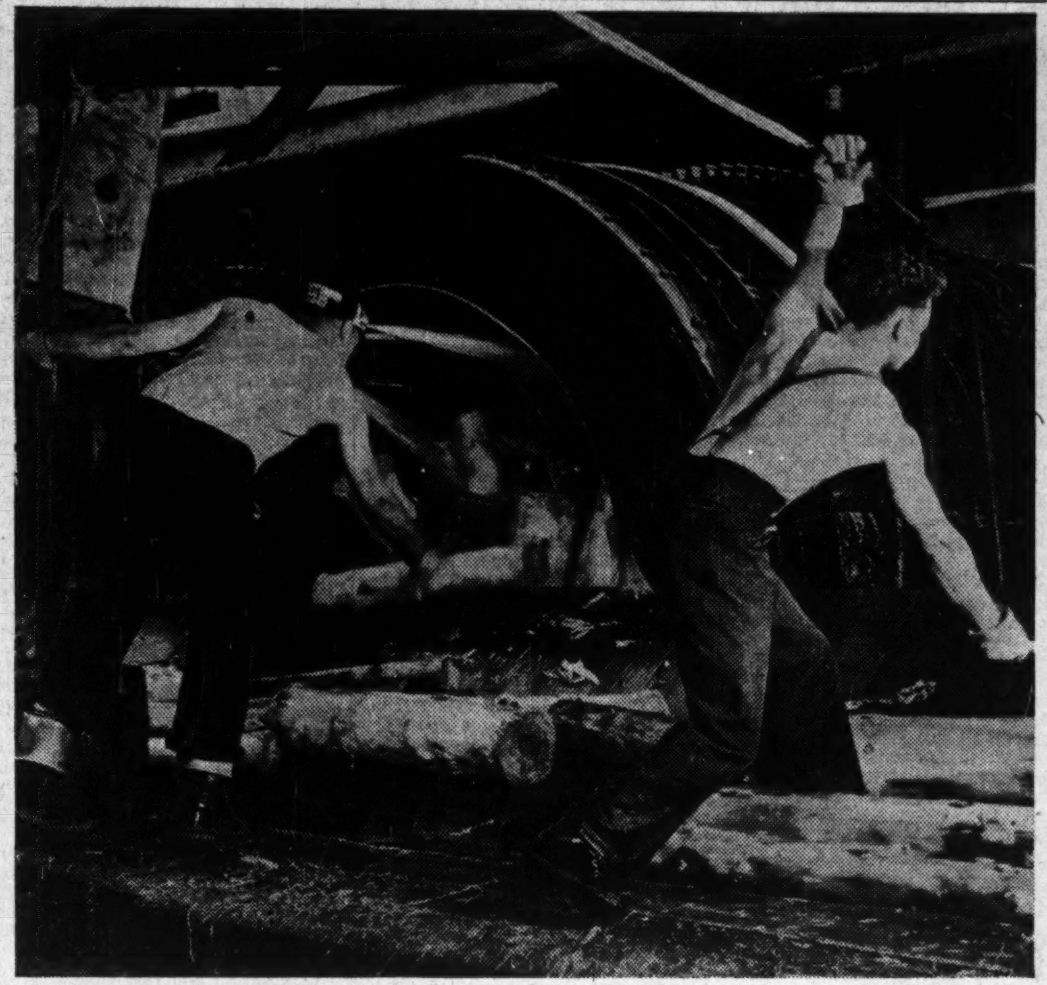
"Loans and discounts have remained at approximately the same level as last year. As a result of greater business activity, the number of borrowers was greater, and we anticipate that they will increase further during the next few months."

Referring to the part taken by our country in this war, Mr. Boyer said: "Canada is taking an ever more important part in the present war, and its great effort must be sustained until victory has been reached. It has also to supplement that effort by endeavouring to provide its citizens with a more reassuring condition of life under a less complicated and expensive government administrative system, and a directed economy under which future prosperity will be better felt, by all those classes of society who are now being asked to shoulder such heavy tasks to win the war."

"While doing everything possible to help in this great national effort," he continued, "it is nevertheless important to keep in mind the possibilities of post-war problems, and to take whatever steps are necessary to ensure that these will have the least disturbing effects possible. Manufacturers, merchants and traders should avoid high inventories. Salaried people and wage earners should practice thrift while employment is plentiful. They should avoid contracting unnecessary obligations."

Dealing with the continuous effort to be made to win the war, Mr. Boyer stated: "As our government's war program progresses, demands will doubtless become heavier, and it is therefore not only necessary for Canadians to contribute a greater work effort, but also for them to loan to the government out of their savings the amounts necessary to take care of the very considerable war expenditure."

The Bank has now in operation 139 branches and 181 sub-agencies, spread over the provinces of Quebec, Ontario, New Brunswick and Prince Edward Island, Mr. Boyer said.



BARKING DRUM TO PAPER

—C. I. P. photo.

Picture of the barking drum in one of the mills of the Canadian International Paper Co. This is one of the first stages in converting wood into newsprint paper, of which Canada supplied over 3,000,000 tons to world markets in 1940. This year Canada expects to supply all American import needs.

Newsprint Leads all Exports In Canada's 1939 Trade

From Our Own Correspondent

MONTREAL. — Newsprint paper continued to constitute the principal export from Canada in 1939, shipments totalling in value over $115 millions. Aside from gold bullion, newsprint has a more important bearing on Canada's favorable balance of trade than any other natural or manufactured product produced in the country.

Exports of newsprint in 1939 at $115.6 millions represented a net contribution to the favorable balance of trade which in that particular year amounted to $173.8 millions.

Of even more importance at this time is the fact that more than 25% of Canada's exports to the United States in 1939 was represented by newsprint paper. During the year Canadian products shipped to the States had a value of $389 millions, of which newsprint amounted to $97 millions.

The unique place occupied by newsprint paper in Canada's export trade is shown in the following tabulation setting out the 15 principal export commodities for 1939, with comparative figures for 1930 to indicate the relative changes in position over the period.

	1939	1930
Newsprint	115,685,970	133,370,932
Wheat	109,050,542	185,786,026
Nickel	57,933,511	20,505,324
Planks and boards	48,829,366	36,743,267
Copper in forms	40,232,279	827,944
Meats	37,445,336	7,569,023
Wood pulp	31,000,602	39,059,979
Fish	27,967,290	30,097,635
Aluminum in bars, etc.	25,684,476	7,728,857
Automobiles	22,551,011	18,798,783
Wheat flour	16,378,301	37,540,495
Asbestos, raw	15,365,288	8,453,257
Cattle	15,353,121	3,398,076
Furs, raw	14,130,188	15,202,168
Cheese	12,248,650	13,207,021

London's Papers Provide the News

From Our Own Correspondent

MONTREAL.—Blitzkrieg or no blitzkrieg, the Londoner is not missing his daily paper. Though reduced substantially from its prewar size, the Daily Express of London, Eng., reports that in November its average net paid circulation was 2,535,171 copies.

This is regarded as a remarkably good showing, in view of the shift in population, difficulties in production and particularly difficulties in the distribution of all London papers.

Canadian Pulp Sales to U. S. Up

Trade During November Reaches Value of Nearly $4.3 Millions

From Our Own Correspondent

MONTREAL.—Canadian pulp continues to supply practically all of the United States import requirements. According to the U. S. Dept. of Commerce, imports of pulp from Canada in November totalled 70,549 tons valued at $4,284,773. During the previous month Canada exported to the United States 67,524 tons of pulp.

An interesting feature of the U. S. returns for November is the import of 5,099 tons of chemical pulp from Finland having a value of $348,729. This represents a substantial gain as during October imports from Europe amounted to only 588 tons.

Details of Trade

A breakdown of the U. S. pulp exports to the United States during November, by quantity and value, follows:

Type	Tons	Value
Mechanical	10,745	$ 301,340
Sulphite—		
Unbleached	18,864	1,054,484
Screenings	160	2,908
Rayon	10,163	817,741
Bleached	17,236	1,174,826
Sulphate—		
Unbleached	7,872	503,592
Bleached	4,649	378,271
Soda	860	51,611
Total	70,549	4,284,773

War Savings

Alberta Saves for War

Out in Alberta the burghers take notice when chairman John Burns of Calgary stirs up his provincial war savings machine.

Chairman Burns also heads the $14-odd million packing house of Burns & Co., and brings to his new job the organizing and sales ability that $14 million companies demand of their presidents. Selling war savings certificates demands something more than a general appeal to the public's better nature, John Burns told The Financial Post in a recent interview. It demands real salesmanship, applied direct by persons known to their customers.

A Job for the Boss

For example, Mr. Burns does not believe in an employer relying on outside organizers to bring his employees up to the mark in war saving. "If a man won't listen to his own boss, whom will he listen to?" is John Burns's argument, and he can prove it from his own company's experience. The Calgary packing plant of Burns & Co. is 100% in war savings subscription, and that goes for most of the other major units of the company. With few exceptions all Burns employees heard the war savings plea from the mouth of their own president.

How to Organize

Here are some of the other useful tips for war savings workers that Mr. Burns gave The Post:

Don't give a volunteer worker more territory than he can cover without interfering too much with his own business.

Pick the right man for the job. Get a lawyer to talk to lawyers, a school-teacher to talk to school-teachers. You can't sell a man unless you talk his language.

Make full use of existing organizations. At one time or another the Alberta Committee has deputized the social and service organizations of the province, the clergy, the Boy Scouts, a Norse-Danish chain of steamship offices and so on. Many an organization finds it difficult to fit into the war picture, welcomes the opportunity that the war savings campaign affords.

Above all, Mr. Burns points out, make use of salesmanship principles. The product must be sold to the final consumer by direct, personal approach. The average person is intensely patriotic, vitally interested in winning the war. But the average person is also a human being, and must have his responsibilities brought home to him. The present war savings drive will succeed if it gets across one idea: the idea that "This Means You!"

* * *

12% on Gov't. Bond

Employees of Dominion Oilcloth & Linoleum Co. have an exceptional incentive toward war saving. The company has undertaken a one-year plan to contribute in the form of war savings certificates 50% of the amounts subscribed by the employees, based on a maximum subscription of 4% of annual earnings of any employee. This means that a company employee investing $8 now will receive $15 in 7½ years, or 187.5% of the amount invested. Those who take advantage of the plan will gain an average annual rate of increase of 11.7% if they hold the certificates to maturity.

A. F. Baillie, vice-president and managing director, in commenting on the plan stated that the company had been motivated not only by the national need for thrift, but by the advantages to the employee in gaining the savings habit and building up a reserve against possible post-war readjustments.

* * *

Music for Munitions

When the T. Eaton Co. offered its Toronto Auditorium for a series of piano recitals in aid of war savings campaign last fall, music patrons were actually paid to listen. Price of admission for the series was $4, for which the buyer received his admission ticket and a war savings certificate.

The Musical Manifesto group, consisting of some 40 Toronto pianists, donated time and talent for the concerts and programme costs were met by the advertisements inserted, with the result that almost the entire box-office receipts are turned over to the Government. Seating capacity of the Eaton Auditorium is approximately 1,350, and the maximum contribution was therefore expected to be $5,400. But when the entire house was sold out in advance, many patrons donated their tickets for resale, while many late-comers simply bought a certificate through the group. Result: with only two out of five concerts given, the Musical Manifesto fund now has over $7,000 — about one third more than the best expected—and contributions are still coming in.

Rails Handle Big Pulp-Paper Traffic

From Our Own Correspondent

MONTREAL.—Last year Canadian railways handled 216,331 revenue freight cars of pulpwood, pulp and paper products. This represented an increase of nearly 25% over the previous year, when loadings of these products totalled 164,728 cars.

Compared with the total revenue freight movement on Canadian railways, loadings of pulpwood, pulp and paper products in 1940 constituted 7.65% of the whole, as against 6.5% in 1939.

Seek New Lumber Outlet In British West Indies

From Our Own Correspondent

VANCOUVER. — Impressed with the opportunities of developing trade with Canada's "good neighbors" in the British West Indies, a group of British Columbia lumbermen are flying south this month, their objective being Trinidad, Barbadoes and Jamaica.

Those in the group are John T. Humbird, head of one of the largest sawmill enterprises on Vancouver Island; Charles H. Grinnell, general manager of Seaboard Lumber Sales, the world's largest lumber export organization, and James T. O'Hagan, West Indies manager of the same company. They will fly the entire route.

Ordinarily southern pine dominates the West Indies markets because of proximity, but the heavy demands of the domestic U. S. building programme have absorbed most of the Gulf States cut, leaving an opportunity for Canadian lumber.

Empire tariffs prevail in the countries to be visited and there is a natural sentiment there in favor of keeping business within the British sphere. The British West Indies have shown a tendency to buy more lumber in British Columbia in recent months—mostly Douglas fir and cedar, and the mission hopes to establish the market on a permanent basis.

U. S. "Paper Ads" Up 2% in 1940

Linage in December Reflects Good Christmas Trade

From Our Own Correspondent

MONTREAL. — Total advertising linage of United States newspapers in December gained 4% over the same month last year, according to Editor and Publisher. The increase is attributed to one of the busiest Christmas seasons in retail stores for many years.

Linage for 1940 totalled 1,269 millions, an increase of 2% over 1939.

Editor and Publisher index rose to 100.9 in December, average for that month for the past five years, and the first time it has gone higher than 100 since May last year.

All classes of linage gained in December, and all but general and financial increased for the full year over 1939.

To Reclaim Newsprint From Waste Papers

From Our Own Correspondent

MONTREAL. — Pittsburgh interests have secured an abandoned tire plant at East Palestine, Ohio, for the purpose of reclaiming pulp from waste paper and the ultimate production of newsprint on a commercial scale, according to Editor and Publisher.

The newsprint, already successfully tested on fast newspaper presses, will be produced under the process developed by Dr. F. W. Hochstetter, Pittsburgh scientist.

B. C. Pulp and Paper Industry Sets Record

From Our Own Correspondent

VANCOUVER. — British Columbia's pulp and paper industry set a new record in volume and value of production last year, according to available records, and is headed for another high mark in 1941 if present rate of output is maintained.

Individual companies do not give out definite figures on the year's production and revenue, and government statistics are not issued until much later in the year; but it is estimated that Powell River Co. and Pacific Mills, Ltd., the two big newsprint organizations, together produced about 270,000 tons in 1940, which represents about $13.5 millions at the current base price of $50 a ton.

This figure surpasses by half a million dollars the ten-year average revenue of the pulp and paper industry, including not only newsprint but all kinds and grades of pulp.

B. C. Pulp & Paper Co., with mills at Woodfibre and Port Alice, was a bigger factor in pulp production than ever before, because removal of Scandinavian competition and other factors brought a swift restoration of capacity operation following a period of depression in 1938-39 due to collapse of Oriental markets. Estimated production of the two B. C. pulp mills last year was 100,000 tons, at varying prices according to grade and market.

Pacific Mills, Crown Zellerbach subsidiary here, has always been a big pulp manufacturer, but last year Powell River contributed heavily to the pulp total. Westminster Paper Co. had a busy year and plans large-scale expansion this year. Vancouver Kraft Corp. has resumed kraft production at Port Mellon on Howe Sound.

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A Good Name
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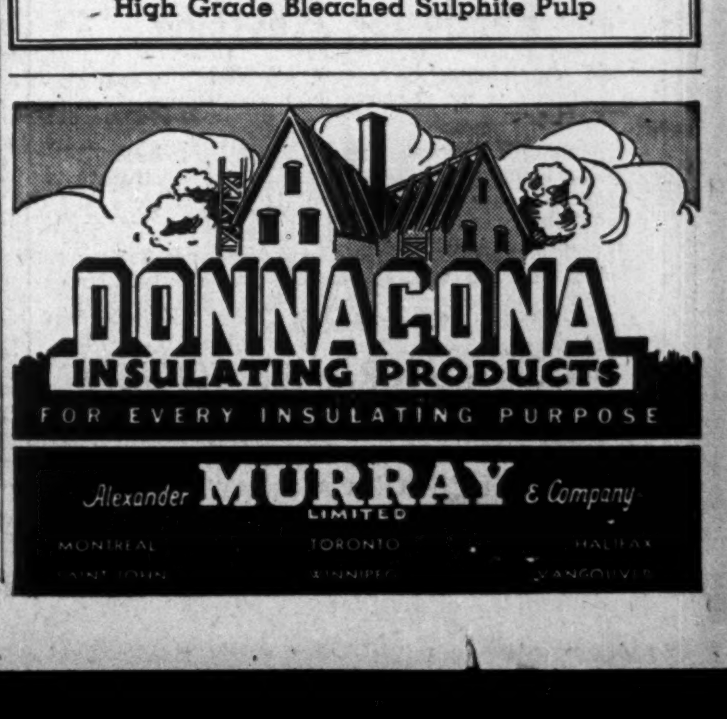
Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp



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Fire & Casualty Insurance

War Workers Buy Protection

Comprehensive Contracts on Personal Property Make Strong Attraction

Larger incomes being received by many Canadian families owing to the more active business conditions since the war started are resulting in a brisker demand for various lines of insurance. Especially is this so in contracts giving protection against loss of property by fire, burglary, weather or similar causes. Many war workers are buying these policies freely. People who formerly believed in insurance but did not have the money to buy it now find they can meet the premiums. They are buying more furniture for their houses, better clothing for themselves and their families and want to insure them against loss. They want to feel that if a fire should damage any of these things or a burglar steal them, they would not suffer a total loss.

Accordingly the Personal Property Floater Policy has been selling well.

Gives Wide Probation

This policy gives protection on personal property against fire, burglary, weather, mysterious disappearance and various other hazards to which property is exposed. The policy also gives protection irrespective of where the property is, in the home, at the summer cottage, in the hotel, the railway carriage, or elsewhere.

Accordingly, if fire destroys your furniture or clothing in the house or at the summer cottage, no matter where it is, you can claim indemnity from the insurance company. If smoke even from outside your own house damages your pictures or drapes, you can collect for that. If children at play in the street break your window the insurance policy makes it good. The same thing happens if anything is stolen, your son's skates, or his bicycle in the garage.

Possibly the most interesting feature of the contract is the protection given against mysterious disappearance. How often has something of value been lost in the house or elsewhere without any reasonable explanation of the disappearance. Somebody lays something down some place, cannot remember where, and it just disappears. That is all taken care of under this contract. Then it may be that your wife goes into the washroom of a hotel and leaves her diamond ring on the wash basin. The mysterious disappearance clause protects against loss.

There are, of course, certain things which will not be covered by this policy. For instance, narcotics, power boats, damage from moths will not be covered.

Real Property Excluded

Nor can real property be insured under the personal property floater. If you own a house it must be insured by regular fire insurance policy. There is the exception, however, that indemnity will be paid for damage done by burglars, for instance, if they deface woodwork or walls, break locks, etc.

There is also the proviso that the property must be insured up to 80% of its value. This entails the insured making an estimate of the value of his property. The way this is done is by taking an inventory. One advantage of this is that it brings home to the insured the value of his property sometimes to his great surprise.

While this type of policy has been bringing in a great many new buyers of insurance, underwriters also state the total volume written under this policy is apt to be misleading because much of it is really business that was previously insured under an ordinary fire or burglary policy or both, but has now been switched to the one policy cover.

On the other hand, the person who formerly carried only fire insurance will increase his protection by taking on burglary and the other forms available in the comprehensive contract.

Fire Losses Show Rise in Ontario

Increase in Industrial Fires Affects Total Adversely

Ontario's fire loss in 1940, according to the report of W. J. Scott, Fire Marshal for the province, was higher than in 1939 both in number of fires and in loss sustained.

The total number of fires for the 12 months was 15,741 or 804 more than in the previous year. The insured loss at $6.9 millions was $394,165 higher, while the total loss of insured and uninsured property at $8.1 millions was $261,981 greater.

Below Five-year Average

In spite of the increase for the year, the Fire Marshal states the total insurance loss was lower than the average for the five years 1934 to 1938.

Much of the increase for the year occurred in the last quarter when there were four large fires—a school at Kingston, a church at Hamilton, a militia building at Ottawa and a shipyard at Port Arthur.

Fires in industrial buildings showed an increase in value destroyed of $341,573 on the total and $336,483 in the insurance loss. This, the Fire Marshal comments, shows that the increase in wartime industrial production has been accompanied by an increase in fires.

Life Insurance

Insurance Company Reports

Manufacturers Life

Insurance in force with the Manufacturers Life Insurance Co. at the end of 1940 was at a new high record in the company's history. This result, J. H. Lithgow, general manager, explained, was accomplished in spite of a reduction in new business produced in the company's agencies abroad. It was due to a favorable termination rate during the year, lapsed and surrendered policies being $2.7 millions less than in 1939.

New business in Canada equalled that of 1939, that in the United States slightly lower and that in other countries considerably lower. The United Kingdom field force, Mr. Lithgow stated, produced over 85% of the business written in 1939.

Total income, in excess of $35 millions, was the highest in the history of the company. Premium income and investment income were both higher, while other revenues were slightly lower.

Payments to policyholders were lower, due mainly to a decline in the amount paid out on matured policies, surrender values, etc. Dividends to policyholders were also lower.

A rise of over $12 millions in assets was mainly in holdings of Government and municipal loans, although all items were higher except mortgages, which showed a small decrease. Bonds constitute 62% of the company's total assets, preferred and common stocks 5½%.

The net rate of interest earned on the company's invested assets during the year was 4.45% compared with 4.64% in 1939.

The mortality experience at 60% of expected was the second lowest in the last five years.

Years Ended Dec. 31

	1940 $	1939 $
New insurance	50,321,495	56,133,640
Business in force	604,571,850	590,259,769
Receipts	35,152,615	35,069,936
Net prem. inc.	24,137,727	24,043,108
Int. & divids.	7,614,233	7,563,371
Other funds	3,400,653	3,463,456
Policy payments	15,477,022	16,958,260
Death claims	4,302,457	4,038,773
Matured pol., etc.	9,080,443	10,692,857
Dividends	2,094,121	2,226,630
Assets (principal)		
Gov. & mun. bds	93,016,821	85,586,543
Other bonds	24,498,082	22,164,976
Pfd. stocks	2,905,435	2,315,573
Com. stocks	7,822,264	7,805,230
Mortgages	25,569,814	26,136,167
Pol. loans	19,380,316	18,774,534
Real estate	6,782,835	6,696,748
Cash	3,879,076	2,549,912
Total	190,068,352	177,808,633
Policy reserves	158,774,147	149,555,539
Surplus	5,509,200	4,709,258

Canada Life

New insurance written by the Canada Life Assurance Co. in 1940 increased $855,000 to over $62 millions. Direct written business in force, General Manager S. C. McEvenue stated at the annual meeting, was higher for the year but total business in force at the end of the year excluding annuities was $4.5 millions lower at $805 millions, due to a decline in reassurance business. Lapses and surrenders, Mr. McEvenue stated, were reduced by $2.2 millions from the total in 1939. Annuity business showed a good increase. New annuities were sold for a consideration of $2.9 millions compared with $1.6 million in the previous year, while annuity business in force also showed a good increase, the general manager added.

Net premium income was slightly higher, but declines in investment and other income brought total receipts for the year slightly below those for 1939.

Policy payments were lower, declines being shown in payments on death and disability claims, matured endowments and cash paid for policies surrendered. Annuity payments also were slightly lower. Dividends to policyholders, however, were larger than in the year preceding. The amount paid out to or accumulated for policyholders and their beneficiaries since the company was established totals over $740 millions or $70 millions more than has been received in premiums, Mr. McEvenue noted.

Assets of the company again rose to a new high figure. The total at $275 millions was $7.5 millions above the previous year's level. Government and municipal bonds rose $10 millions with holdings of other bonds also higher. Investments in mortgages were reduced. Common stock investments fell slightly. Policy loans also declined.

Policy reserves were increased by $5 millions and surplus funds and special reserves including the free surplus were higher.

Years Ended Dec. 31

	1940 $	1939 $
New insurance	62,000,586	61,145,371
Business in force	805,704,918	810,291,141
Total receipts	38,884,917	39,022,044
Net prem. inc.	26,042,209	24,930,999
Int., rents, etc.	10,547,010	11,218,869
Other funds	2,295,698	2,872,174
Policy payments	24,035,276	26,380,137
Death clms., etc.	7,307,326	7,511,005
Matured endows.	4,114,400	6,320,814
Surrenders	4,879,184	4,969,202
Policy divids.	2,887,196	2,612,279
Annuity pay'ts.	4,406,585	4,549,791
Options	440,586	417,046
Assets (principal)		
Govt. bonds	134,911,793	124,947,425
Other bonds	36,880,606	35,057,553
Mortgages	45,841,770	48,399,521
Pfd. stocks	7,125,903	7,044,717
Com. stocks	4,082,608	4,303,981
Policy loans	20,667,440	21,484,036
Real estate	12,225,720	13,418,634
Cash	5,173,357	5,038,366
Total assets	275,583,490	268,046,507
Policy reserves	239,438,203	234,370,803
Free surplus	6,504,245	6,029,729

Obituaries

Thomas W. Gibson, former Deputy Minister of Mines for Ontario and adviser and consultant of the Ontario Department of Mines, aged 81, at Toronto.

Cecil Bethune of Dewar & Bethune, insurance brokers, Ottawa, former president Ontario Fire & Casualty Agents Association, aged 68, at Ottawa.

J. B. Paterson, former manager for Canada of the Phoenix Assurance Co. of London, Eng., and chairman of the Canadian board of directors of the company, aged 67, at Montreal.

Dr. Joseph Sirois, chairman of the Unemployment Insurance Commission and chairman of the Royal Commission of Dominion-Provincial Affairs, aged 59, at Quebec City.

C. W. Clarke, formerly Ottawa manager National Drug & Chemical Co., aged 68, at Ottawa.

A. E. Hessin, manager Ontario branch, Canada Permanent Trust Co., aged 61, at Toronto.

Fire Insurance Term Restriction Removed

Announcement that section 104 of the Ontario Insurance Act will be brought into force March 1, means that after that date, fire insurance policies covering mercantile and manufacturing risks may be written without any restricton as to term. Heretofore such policies could be written for only one year.

Start Foreclosure Paramount Victoria

A bondholders' action has been started by A. H. Douglas and R. Symes, trustees for the bondholders of Paramount Victoria Theatres Ltd. Principal of the $300,000 first mortgage bonds became payable on Sept. 1 last, while interest was paid up to and including June 30 last.

The trustees are asking the Supreme Court that the property, consisting of the Capitol Theatre, Victoria, be put up for sale. They state that proceeds of the sale should be distributed among the bondholders before the end of April, 1941.

The
WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus ... 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

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Company Limited
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For dependable Industrial and Real Estate valuations, select a company of unquestioned reputation.
We suggest the services of this organization.
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Insurance Company
of Canada
TORONTO

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS
MUTUAL INSURANCE COMPANY
C. Smith, Chief Agent
Concourse Building, Toronto

- Ready for Anything -

An outstanding advantage of stock company insurance is the character of the protection given to the public.

No matter how severe a financial strain is to be faced as the result of disastrous losses, the stock company's contract does not call upon its policyholders to contribute.

Stock companies such as Union Insurance Society of Canton, Ltd., are by reason of their stability, their ethical and financial soundness, upon their own responsibility, ready for anything.

UNION INSURANCE SOCIETY
OF CANTON, LIMITED
ESTABLISHED 1835
HEAD OFFICE FOR CANADA, TORONTO
COLIN E. SWORD, *Manager for Canada* ...

Bk. Nova Scotia Net Profit Cut By Taxation

War Loan Subscriptions Reduce Savings Deposits —Liquid Position Strong

Effect of war on banking operations is reflected in the annual statement of the Bank of Nova Scotia covering the year ended Dec. 31, 1940. As with other banks which closed their years and issued their statements earlier, sharply increased taxation has cut heavily into profits, while deposits and assets are both lower. The liquid position of the bank is slightly stronger, readily available assets being 68.7% of total liabilities to the public compared with 68.4% in the previous year. Cash balances are 11.12% of public liabilities against 11.65 a year ago and cash assets including cheques on other banks 21.85% against 21.91% at the end of 1939.

Taxes Almost Double

Net profits at $1.9 millions were down $92,000. Dominion and provincial taxes at over $1 million were almost double those of the previous year. But for this, profits would have shown a substantial increase.

The amount written off bank premises was the same as in previous years. After deducting this but before taking off contributions to pension fund, the earnings per share were $14.01 against $14.86 in 1939.

Pension fund contribution in 1940 was slightly higher than in 1939, while dividends took the same amount. Surplus for the year was considerably lower.

After all deductions, the bank carried forward a slightly larger balance.

Comparative operating results were as follows:

Profit and Loss Account
Years Ended Dec. 31

	1940 $	1939 $
Net profit	†1,941,331	2,033,333
W/o bank premises	250,000	250,000
Pension fund	200,000	190,000
Dividends	1,440,000	1,440,000
Surplus for year	51,331	153,333
Carried forward	1,225,890	1,174,560

†After Dominion and provincial taxes of $1,004,027 compared with $539,191 in 1939, and after appropriations to contingent accounts including provision for bad and doubtful debts.

The balance sheet, as with most of the other banks, shows a decline in public deposits. This is attributed to subscriptions by depositors to the war loans and war savings certificates. The decline was in interest bearing deposits, non-interest bearing deposits being up almost $6 millions reflecting increased business activity.

Payments for War

Deposits of other banks including foreign banks as well as Canadian were lower. This is chiefly due to disbursements from foreign bank balances on account of war contracts.

Current loans in Canada were lower than at the previous year end. Certain loans of a temporary or special nature were liquidated in the year while in other directions, it is stated, commercial loans have shown increases. Loans to municipal and provincial governments are down.

Total assets reflecting the drop in deposits were lower.

Highlights of Balance Sheet
Years Ended Dec. 31

	1940 $	1939 $
Assets		
Cash	32,382,029	35,698,065
Cheques, etc.	31,227,243	31,432,041
Investments:		
Govt. sec., short term	49,371,040	40,786,847
Other govt. sec.	58,660,426	69,437,997
Mun. sec.	11,111,526	11,622,251
Other sec.	11,974,226	14,218,359
Call loans, Can.	5,052,312	5,071,174
Call loans other	333,860	1,241,022
Curr. loans, Can.		
Prov. and mun.	4,628,012	7,502,480
Other	93,339,016	94,897,983
Curr. loans ex. Can.	14,399,566	15,056,865
Letters of credit	6,702,680	6,757,601
Total	328,682,731	343,491,516
Liabilities		
Note circulation	8,058,969	8,295,375
Deposits govt.	6,147,935	15,249,136
Deposits, int. bear.	177,577,255	184,404,563
Deposits, no int.	85,914,472	80,112,809
Due other banks	5,874,740	10,765,862
Letters of credit	6,702,680	6,757,601
Other liabs to pub.	818,868	363,790
Total to public	291,094,924	305,955,141

The Home Front

Placing Ex-soldiers

The task of finding work has been a perplexing one for men who have been rejected from Canada's military services. To cope with this problem, rejected men have joined themselves together in Federated Work-Finding Service Clubs to become their own employment bureau.

Considerable success has already been attained in this work. So far 300 permanent placements have been made at a cost of $35.75 or slightly over 10 cents a placement.

Numerous bodies have been assisting in the work being carried out. These include the Y.M.C.A., press, radio, governmental bodies, church groups, Better Business Bureaus and leading citizens.

The Federated Work-Finding Clubs list the men they have available together with the work in which they have experience. When a demand for a man is obtained, it is a relatively simple matter to determine the man with the best qualifications for the work.

One of the most successful efforts to place men was through broadcasting. In January, 1940, CBL agreed to sponsor a few trial broadcasts in which four men were interviewed each week. So successful was the experiment that the series ran into mid-April and after 15 broadcasts, about 100 men were placed in positions.

• • •

"March of Dimes"

A novel method is now being used to finance the purchase of Hurricanes to make the war effort more effective. It is "Canada's March of Dimes." With the approval of the Minister of Finance at Ottawa, people are being asked to forward a dime in an envelope addressed simply Minister of Finance, Ottawa. In the lower left-hand corner is to be written: "To buy a Hurricane."

Through arrangements completed, no postage is required on letters sent to Ottawa. All dimes received are to be placed in a voluntary fund for the buying of aircraft. If everyone in Canada were to send a dime or more, it is estimated a substantial total could be raised for purchase of aircraft.

New Books

On Income Tax

YOUR INCOME TAX—Dominion and Provincial—How to Keep it Down. 1941 edition; by A. R. McMichael. Published by The Musson Book Co., Toronto. Price $1.

This book aims at giving the average individual such information as will enable him intelligently to make up his income tax return by indicating the deductions to which he is entitled as well as the charges which must be met.

It is written in non-technical language and is arranged so that each question on the income tax return is commented on in turn. A copy of the Income Tax returns T-1 and T-1 Special Return are included and opposite each question on the form is the number of the page in the book on which information regarding that particular question is given. The income taxes of the different provinces are also explained with exemptions, rates of tax, etc. An index at the back provides a ready reference to different subjects such as Motor Car Depreciation, Bad Debts, etc.

Advertising Blue Book

ANALYSIS OF CIRCULATION: CANADIAN PUBLICATIONS, 1940. Published by the Association of Canadian Advertisers Inc., Toronto. Price $15.

This is the seventh edition of what has come to be regarded as the ACA Blue Book. Prepared by the Association's Circulation and Rates Committee of which K. R. Townsend, Canadian Westinghouse Co., is chairman, the book provides a detailed analysis and summary of circulations, as well as the relative data of the principal advertising media in Canada — newspapers, magazines, weekly newspapers, farm papers, radio and posters.

A table of contents is amplified by a marginal index which facilitates spotting the information desired.

Headings in the index include, for instance, under the general summary:

Circulation and rate comparisons, net paid circulations, time of issue, subscription methods, rates and circulations by provinces. Circulations are also analyzed and much information is given on planning the effective use of advertising and fitting media to changing circumstances and opportunities.

94th Edition

THE CANADIAN ALMANAC, published by the Copp Clark Co., Toronto. Price $7.

This 94th edition of this well-known publication brings information in previous issues up to date and contains considerable new data. For instance, the Canadian war boards and other control bodies appointed by the Dominion Government are shown with changes up to Dec. 10. The War Exchange Conservation Act and the new excise taxes imposed on automobiles and luxury goods by Parliament, Dec. 6, are included. Foreign Exchange Control regulations respecting United States funds include those effective Jan. 1, 1941.

In addition, the usual sections such as customs and excise tariff, post office and railway stations, Dominion and provincial ministers and officials, etc., are given.

Exclusive features are lists of libraries and museums with names of officials in charge, boards of trade and names of treasurers or secretaries of organized municipalities.

Revolution in the Making

OUT OF THE NIGHT. By Jan Valtin. Published by Longmans, Green and Co., Toronto. Price $4.50.

Various readers will explore the dark passages of this incredible volume for different reasons. It is a highly personal autobiography, filled with adventure more malignant than romantic.

It is a footnote to history, the history of the violent, ruthless conflict of rival revolutions, of the Communist red revolution and the Nazi brown revolution. More particularly, the volume takes the reader into the subterranean sewers of the hateful OGPU and the equally dreaded Gestapo.

There is, too a quality of fiction in Valtin's story, for there is a wealth of personal detail, and an effective use of reconstructed dialogue. Of love and lust, there is an abundance as great as of murder and intrigue and terror.

But to this reviewer the volume has another mission. It is a portent of what is to come in the post-war world if statesmanship fails quickly to rebuild peace with reasonable prosperity. Valtin shows how revolution breeds in the cesspools of disillusionment. He shows how ruthless, malicious leaders organize the unhappy mob to upsurging, purposeless violence. This is the class war, seen from the activist side, and it is no pleasant picture. There is no idealism in revolution today; no objectives other than the destruction of order and the creation of chaos. Those who may be inclined to daydream about the motives and ends of revolutionary reformers would do well to see them at work. And here there is a chance to see them at work for Valtin conceals nothing in his revelation of the technique of organized destruction.

Valtin is the nom-de-plume of a German revolutionary who escaped death in a hundred forms and is now in hiding somewhere in the United States. Son of a Hamburg agitator he drifted into Communism as a boy and fought through the attempted German Soviet revolution of 1923. He became an agent of violence for the Reds in many lands, travelling the world as a sailor and throwing monkey wrenches into the machinery of capitalism whenever his Moscow bosses ordered him. Sabotage, crime, strikes, rioting—he learned the technique of all of them.

As he became an experienced revolutionary he took on bigger and bigger jobs and in time his activities brought him into contact with the "great" leaders of modern-day nihilism, including Dimitrov. He was captured by the Nazis, tortured almost beyond sufferance or description by the Gestapo, was freed and returned to Russia. But he found himself trailed by both OGPU and Gestapo.

It is no book for the faint of heart or the weak of stomach. The 841 pages are a portrait of a violent life; a case history of the depravity to which the Lenins, Stalins and Hitlers have brought the world following a war in which mankind near destroyed the system by which men work and live and move forward.

"Steamers" Subsidiary To Build Ocean Ships

From Our Own Correspondent

MONTREAL. — Davie Shipbuilding & Repairing Co., wholly-owned subsidiary of Canada Steamship Lines Ltd., has received a contract from the British Government for the construction of six large cargo boats. Work on these vessels will be commenced immediately. The contract calls for ocean-going freighters of 430 ft. length and 9,300 tons. The value of the contract is between $7.5 millions and $8 milions.

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PERSONAL PROPERTY FLOATER INSURANCE
Covering ALL Personal Effects and Household Furniture against practically ALL Risks in ALL Locations.
ONE Policy for ONE Premium With ONE Expiry Date.
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The CANADIAN INDEMNITY CO.
Head Office: Winnipeg

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE - TORONTO, CANADA
Established 1887
FINANCIAL STATEMENT FOR THE YEAR ENDING
31st DECEMBER, 1940

ASSETS

BONDS		
Government and Government Guaranteed Securities	$66,267,540.66	
Municipal and Other Public Body Securities	26,749,279.82	
Public Utility Bonds	14,716,516.47	
Other Corporation Bonds	9,781,565.70	
		$117,514,902.65
PREFERRED AND COMMON STOCKS		
Preferred Stocks	2,905,435.12	
Common Stocks	7,822,264.21	
		10,727,699.33
FIRST MORTGAGES ON REAL ESTATE		
Urban Properties	19,762,245.86	
Farm Properties	5,807,568.64	
		25,569,814.50
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		19,380,316.40
HEAD OFFICE PROPERTY, OTHER REAL ESTATE AND SALE AGREEMENTS		
Head Office Property	850,000.00	
Other Real Estate	4,962,030.43	
Sale Agreements	970,804.68	
		6,782,835.11
CASH ON HAND AND IN BANKS		3,879,076.31
TOTAL LEDGER ASSETS		$183,854,644.30
OTHER ASSETS		
Interest due and outstanding	183,897.65	
Interest accrued but not due	2,201,339.41	
Deferred and outstanding premiums	3,814,055.21	
Due from other Companies on policies reinsured	14,416.29	
		6,213,708.56
		$190,068,352.86

LIABILITIES

POLICY AND ANNUITY RESERVES The actuarial liabilities of the Company in respect to its policy and annuity contracts	$158,774,147.00
DEATH AND DISABILITY CLAIMS AWAITING PROOF Claims of which the Company has received notification but for which the necessary documents are not yet complete	1,072,424.94
PROVISION FOR UNREPORTED DEATH AND DISABILITY CLAIMS A reserve fund for death and disability claims which may have occurred during the current year but notification of which has not been received by the Company	325,000.00
FUNDS ON DEPOSIT Policy proceeds and dividends left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	7,836,850.49
RESERVE FOR DIVIDENDS TO POLICYHOLDERS Policyholders' dividends to be paid during 1941 and provision for accrued dividends under quinquennial and other deferred dividend policies	3,900,000.00
OTHER LIABILITIES TO POLICYHOLDERS Amounts deposited for payment of future premiums and miscellaneous credits to policyholders' accounts	4,028,849.44
STAFF PENSION FUNDS The accrued liability of the Company in respect to the pension funds to which the Company and its employees jointly contribute	1,516,375.68
GOVERNMENT TAXES ACCRUED Provision for Federal, Provincial and State taxes payable in 1941	720,532.00
SUNDRY LIABILITIES Accrued rents, salaries, commissions, agency balances, etc.	622,391.56
SHAREHOLDERS' FUND Fully-paid capital stock of $1,500,000.00 plus balance standing to the credit of the shareholders' account	2,512,581.55
CONTINGENCY RESERVE	3,250,000.00
SURPLUS	5,509,200.20
	$190,068,352.86

J. H. LITHGOW,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS AND POLICYHOLDERS

We have audited the accounts of the Company for the year ending 31st December, 1940. We have verified the Cash and Bank Balances and the Securities (valued within the requirements of the Dominion Government) and have accepted the report of the Company's Actuary with respect to the policy reserves and liabilities to policyholders, subject to which we report that in our opinion the Cash Account and the above Balance Sheet exhibit a true and correct view of the Company's affairs at 31st December, 1940.

R. J. DILWORTH, F.C.A.
H. D. LOCKHART GORDON, F.C.A.
of Clarkson, Gordon, Dilworth & Nash,
Chartered Accountants.

Toronto, 14th January, 1941.

BOARD OF DIRECTORS
M. R. GOODERHAM, K.C.
President
F. G. OSLER
Vice-President
C. S. BAND
A. L. BISHOP
G. H. CASSELS, K.C.
R. A. DALY
J. H. LITHGOW
LEIGH M. McCARTHY
DOUGLAS G. ROSS, M.P.

WAR FINANCE REVIEWED

Production and Saving Vital

Address of J. A. McLEOD, President, at 109th ANNUAL MEETING

THE BANK OF NOVA SCOTIA

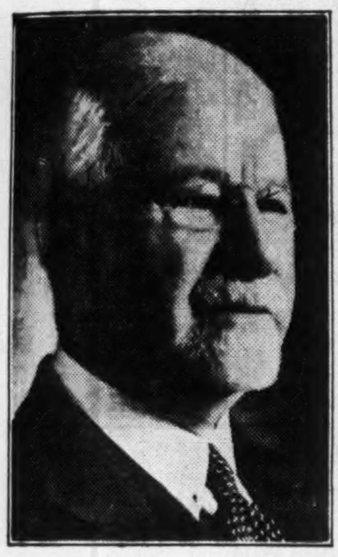
H. D. Burns, Assistant General Manager, presents a strong statement, and pays tribute to staff

J. A. McLeod in his Annual Address to the shareholders, on January 22nd, outlined the sharp increases in business activity, reviewed Canada's financial policy and stressed the implications for Canadian citizens of an all-out war effort. He spoke in part as follows:

Remarkable Expansion of Industrial Activity

"It is no exaggeration to describe the expansion of industrial activity in 1940 as remarkable. Indeed, there have been few occasions in the past when expansion has been so rapid or nearly so well sustained. Indicating the general trend, industrial activity, as measured by this Bank's Index, has risen steadily since last March and in November was much the highest on record and some 25% greater than in the month preceding the outbreak of hostilities.

"There can be no doubt that Canada produced more goods and services in 1940 than in any previous year of her history. A rough provisional estimate, compiled by our Statistical Department, puts the available national income of Canada at around $5,000 millions as compared with $4,375 millions in 1939 and $4,130 millions in 1938. While this estimate has been exceeded in the two previous years of 1928 and 1929—the 1929 peak was $5,430 millions—the reason is to be found in the higher level of prices prevailing at that time. Indeed, when one allows for the difference in the price level as between the two periods, it becomes apparent that the national income of 1940 represented an appreciably larger volume of goods and services than that of 1929."



MR. J. A. McLEOD

President of the Bank of Nova Scotia, who presided at the 109th annual meeting of the shareholders held at Halifax on January 22nd.

"Full Employment" in Sight

"In line with the rapid growth of production, employment opportunities have increased and the majority of the unemployed who were readily employable have found jobs. The official employment index is at much the highest point on record and on December 1st it indicated an increase in the number of wage-earners employed since the outbreak of war of about 350,000 persons. When it is remembered that some 200,000 men have been added to the armed forces, it will be seen that employment in industry and in the war services has increased by a total of around 550,000 persons. For a country of some 11 million people, this is a truly notable increase in the short space of fifteen months.

"We are steadily approaching what the economist describes as 'full employment,' i.e., a state of affairs where there is work for all the capable and adaptable unemployed. Some unemployment still remains but the number of readily employable persons out of work is rapidly diminishing and in many localities the relief problem has disappeared except for those who may be described as unemployable or only partly employable. In many industries, part-time work is a thing of the past and overtime the more usual state of affairs. Workers are being drawn away from non-essential occupations and women are entering the labour field in increasing numbers. Certain artisans are in particular demand and shortages of some types of skilled labour are becoming 'bottlenecks' in our war programme. The present labour problem is qualitative rather than quantitative: it is one of obtaining enough of the right kinds of labour to meet the rapidly rising needs of war-time industry."

Mounting Stimulus of War Spending

"A short time ago, the Minister of Finance pointed out that the Dominion Government's war expenditures had recently been running in the neighbourhood of $70 or $80 millions per month—or at a rate of around $900 millions per year—and there is every reason to believe that this rate of spending will be further increased. In addition, the British Government has been making substantial war outlays in Canada. Taken together, it would appear that the strictly wartime expenditures of the Dominion and British Governments in Canada are currently equivalent to at least 20% and perhaps as much as 25% of our entire national income.

"Added to this enormous and growing wartime impetus, the productive energies of our country have been stimulated by rising demand both from Britain and the United States for our usual exports."

Enormous Task of Finance

"There is far too little public understanding of the vitally important topic of war finance. The people of Canada have undertaken an all-out war effort—in the words of the Prime Minister: 'We will make financially possible the utmost effort the people of Canada are physically and morally capable of making.' To put it another way, this means that we have committeed ourselves to raise, not just what money can be raised conveniently, but all the money that can be spent effectively for the war. That is the problem of financial policy.

"We talk of war finance in terms of money but we should realize that it is fundamentally a question of human effort and sacrifice. We say that the Government is raising money because it needs it for war purposes and this of course is true. But fundamentally the Government in raising money for war purposes is preventing it from being spent for non-war purposes — and thus restricting civilian demands on the productive powers of the nation."

Policy of Financing Successful

Mr. McLeod reviewed the record of Canada's war financing up to the close of 1940 and stated that financial policy thus far had been successful in raising the funds required for the war without inflationary consequences. In support of this view, he said, "the level of prices has risen only moderately both in relation to international developments and in relation to the rise in the national income which has thus far occurred. When it is remembered that the war brought a 9% discount in the Canadian dollar in terms of U. S. funds and that ocean freights and insurance rates have risen sharply throughout the world, the 12% increase in wholesale prices and the 7% rise in the cost of living since the outbreak of war can not be considered unduly great. Also it should be noted that the increase in the volume of bank credit has been modest when viewed against the increase in production and employment. While Canadian deposits in the Chartered Banks rose from $2,532 millions in August 1939 to $2,823 millions in November 1939, they declined subsequently and in November last stood at $2,733 millions. Thus, the net increase since the beginning of the war was about $200 millions or 8%. When viewed against the 17% increase in employment, and the 25% gain in industrial activity, this expansion of credit appears comparatively small."

Existing Problems of War Finance

"If anything is clear, it is that the problem of finance is rapidly assuming larger proportions in line with the mounting scale of our war effort. The Dominion's over-all requirements for its own war expenditures, for ordinary outlays and for financing British purchases in Canada during the fiscal year ending March 31st next appear to be somewhere in the neighbourhood of $1,500 millions, the bulk of which has been raised. While it is not possible to say just what may be the requirements of the coming fiscal year a total of $2,000 millions would seem to be a conservative estimate.

"How is such a vast sum to be raised? On the basis of present rates, taxation may be expected to yield perhaps as much as half of the required funds. The remainder, except to the degree that taxation may be increased further, will therefore have to be raised by borrowing. To this end, the Minister of Finance has outlined a two-fold policy. First, he announced that the next war loan would be organized on a large-scale co-operative basis, similar to that of the victory loans of the last war, and that it would be issued next Summer. He added that the loan would be a 'very large one.' Secondly, he emphasized the importance of the Savings Certificate scheme as a means of encouraging regular saving for the war effort.

"Meanwhile, in order to meet fully the Government's financial needs between now and the next public flotation, a short-term loan of $250 millions is being obtained from the Canadian banks." Mr. McLeod discussed the implications of this loan and indicated that it could not be "regarded as in any way inflationary, provided that the borrowing and taxing policies of the Government prevent an increase in the volume of civilian spending. The money is needed to finance additional war production: of that there can be no doubt. This war production, however, will give rise to a further increase in individual incomes and if this meant that the general level of individual spending would be raised correspondingly, then the loan would have inflationary consequences. But as we all know, the Government is striving to divert a growing portion of individual incomes toward the war effort through taxation and public borrowing, and to the degree that this policy is successful the development of inflation can and will be avoided."

The War Effort and the "Home Front"

"Let us face the fact that greater economic sacrifices are necessary. It is perfectly true that the Government has been taking a large and growing portion of our incomes through taxation and borrowing. But the national income of Canada has been rising rapidly and, even after these substantial deductions, the Canadian people as a whole have had more to spend than prior to the war, and they did spend appreciably more on their individual welfare in 1940 than in 1939.

"The reason for this state of affairs is that we have been able to increase our production sharply and thus to provide for a rising war output without curtailing civilian or peacetime production; indeed, we have been able to increase it. It would be pleasant, but quite unrealistic, to think that we could go on financing an all-out war effort with little real sacrifice of an economic nature. There are two compelling reasons why this cannot be done. One is that we are steadily approaching a condition of full employment and maximum production and the other is that we have undertaken to go on increasing our war production and effort to the limits of our capacities. It stands to reason that this country cannot go on indefinitely producing more and more war materials and equipment, withdrawing more and more men from the productive system into the armed forces, and at the same time go on providing more goods for civilian consumption and use. Since we must have a rapidly mounting war production and larger armed forces, we shall have to forego an improving standard of living and, in a great many cases, accept a somewhat reduced one. In short, if we are to pull our full weight in the cause to which we are dedicated, individual spending must be progressively limited in favour of the war effort."

Increased Saving a Vital Need

"My reason for stressing this point is that I do not believe it is sufficiently or widely enough understood. To many, indeed, the income tax bill payable shortly may come as a rude shock even though the increases were announced seven months ago. Some may feel that they have carried their full share by paying the higher taxes. But the truth is that after the taxes have been paid there will still remain enormous and growing sums to be raised from the citizens of Canada through borrowing of one sort or another. And if inflation is to be avoided, there is only one way in which Canadians can find the necessary money—that is by strictly limiting their expenditures and thus increasing their rate of savings. It is thus a vital part of the war effort on the 'home front' that everyone who can reasonably economize should save more and more. For those whose incomes are rising as a result of the war-time expansion, a high rate of saving is not only the part of patriotism but also the part of wisdom, for in so building up a reserve they will be providing against the day of post-war readjustment when their jobs and their incomes may be gravely threatened.

"We all recognize that this is a 'total' war, but perhaps because our battles are being fought on the other side of the ocean we are sometimes slow to realize its full implications. One implication for those of us on the 'home front' is that, in doing our proper share in the country's war effort, we must pay, and pay as we go along—in the form of taxes, loans to the Government, or if these fail, inflation. All of us are anxious to avoid any serious inflation because it is unjust, inefficient and threatening to the very fabric of our society. Under these circumstances, we must willingly accept heavy taxation and, more than that, we must save to the maximum of our ability. It may appear that this is the hard way to finance the war. But because it combines efficiency and justice in the greatest measure, it is the best way and the democratic way."

ASSISTANT GENERAL MANAGER'S ADDRESS

Earnings

"The statement before you shows earnings of $1,941,330 after taxes of $1,004,027 and after making appropriations to contingent accounts, out of which provision for bad and doubtful debts has been made. The earnings shown are $92,000 less than those for the previous year, but these earnings are after allowing for $445,000 more taxes than in 1939.

"Lest a wrong impression should be created by the payment of dividends at 12% per annum on our capital, it is only fair to point out that the shareholders' funds invested in the Bank's business, consisting of capital, reserve and undivided profits, averaged over $37,000,000 for the year and the dividends paid were at the modest rate of 3⅞% on the shareholders' investment."

Deposits

"Total deposits at $269,639,000 show a reduction of $10,000,000 for the year. Balances of the Dominion and Provincial Governments are $9,100,000 lower and interest-bearing deposits are $6,827,000 lower: the latter decline was caused by withdrawals by our savings customers for payment of subscriptions to the War Loans. Deposits not bearing interest, which represent balances of business concerns, are $5,800,000 larger — in keeping with the higher current level of business generally in the country."

MR. H. D. BURNS,

Assistant General Manager of the Bank of Nova Scotia, who presented the bank's 109th annual statement to the shareholders at the annual meeting held at Halifax on January 22nd.

Cash Position Strong

"On the assets side of the statement cash holdings consisting of coin, notes of and deposits with the Bank of Canada and government and other banks' notes total $32,382,000, which is 11% of our public liabilities—a slightly lower percentage than was shown last year. Our other cash assets, consisting of bank balances and exchanges for the Clearing House, bring the total up to $63,609,000, which is almost 22% of public liabilities — practically unchanged from the previous year."

Investments

"Total investments, which are carried in our balance sheet at prices not exceeding market values, amount to $131,117,000, a reduction of almost $5,000,000. We still continue to hold a large percentage of our securities in the short-term category. You will note that $49,371,000 are in Dominion and Provincial Government securities not exceeding two years in term, which represents about 37% of our total holdings. However, we have other substantial maturities up to five years in term and 75% of our investments will mature within that period."

Resources Ample for Increased Loans

"Notwithstanding the increased volume of business that was done throughout the country in the latter half of the year, our current loans in Canada show a reduction of $1,558,000 and now stand at $93,339,000. We have participated to a substantial degree in financing for our customers, contracts for supplies of a widely diversified nature required for the prosecution of the war, but certain special, large loans, which were outstanding at the end of 1939, have either been paid in full or have been substantially reduced and the net result is the relatively modest reduction in total loans outstanding. We have ample resources to finance an increased volume of loaning business and are prepared to give favourable consideration to all legitimate applications for loans required for the furtherance of the country's war effort or for its ordinary trade."

Excess Profits Taxation

"I have already referred to the sharp rise in our tax bill. Nobody likes to pay higher taxes, but there is no doubt that the shareholders will bear this increase willingly and cheerfully, recognizing that all Canadians must do their share to meet the urgent needs of the times. Most of the increase in our taxes is a result of the excess profits legislation and the accompanying rise in the corporation income tax.

"The basis of this legislation is partly economic and partly social—economic in that an increase in profits can to a degree bear a heavier rate of taxation than that which applies to profits generally, and social in the sense that nobody is to be permitted to make unusually large profits as a result of the war. While we can all accept these principles, it should be recognized that the excess profits tax is a very difficult one to administer in an equitable manner and that in its general application it falls with undue severity upon certain formerly depressed industries. For this reason, the action of the Dominion in setting up a Board of Referees to consider applications for adjustment and the stated policy of the Government to strive for 'fairness of incidence' and to combat 'unjust discrimination as between taxpayers' is commendable and encouraging.

"It is a fact that the Income Tax Division of the Dominion is faced with a staggering increase in its responsibilities—not only with regard to excess profits but with regard to the expected million of new taxpayers under the personal income tax—and in these circumstances the businessman must accept with patience unavoidable delay in the treatment of his just tax problems. Nevertheless, one is justified in emphasizing the need for the greatest possible despatch in the treatment of corporation taxation. The efficiency of the business structure will be enhanced if tax assessments are not unduly long delayed and business is permitted to know just how it stands as promptly as is feasible."

Importance of War Savings Plan

"I should like to refer briefly to the War Savings Campaign now in progress. The Savings Certificate Plan provides a way in which people of moderate and small means may contribute regularly and in accordance with their individual circumstances to the rapidly mounting costs of the war. The present campaign, which is largely directed toward developing such systematic saving within the framework of the business concern, deserves the fullest support not only of employees but, also, of employers, who, by co-operation and enthusiasm in advocating the plan, may contribute materially to its success."

Wartime Control

"It is quite possible that for the most effective prosecution of the war more control and regimentation of the country's activities than we have so far seen may become necessary, but there is no doubt that once the necessity therefor is understood such control will be accepted without question and will receive the full support of every section of the Dominion. We all realize that the British Empire—which means each of us in this great commonwealth of nations—is fighting for its life and that money, profit, or life itself, will be valueless if saved at the price of freedom."

Our Friends Across the Border

"In this vital struggle in which the Empire is engaged we are encouraged by the growing and concrete evidence of sympathy and support for our cause from the United States — both as expressed in the words of its great President and in our own meetings and correspondence with our business and personal friends there. I should like to take this opportunity of saying how much we appreciate the whole-hearted co-operation and help of our friends across the border."

Operations in London, England

"Before concluding we should say something to you about the operations of our London, England, office, which has been very much in our minds during the past few months of intensive air bombardment of London. It is gratifying to know that so far the only damage suffered has been the destruction of the windows in our premises, but having regard to the safety of our staff we have transferred the bulk of our activities outside the limits of the City and maintain at our City office only a skeleton staff, most of our business being conducted in the suburban area which we have chosen. Our Manager and staff are carrying on in the traditional calm and indomitable British manner, and it is not apparent from any of the communications received from our Manager, or from the staff, that anything particularly unusual is happening in that area. We owe the Manager and staff of our London Branch a deep debt of gratitude for their close attention to the Bank's interests under extremely difficult and trying conditions."

Tribute to Staff

"In Canada, and in the other countries where the Bank operates, your interests are served by a most devoted, loyal and efficient staff. The past year has made extra demands on our personnel, requiring in some cases a substantial amount of overtime work, which has been cheerfully given."

Staff on Military Duty

"We now have 183 members of the Bank's staff on leave of absence for military duty, which represents almost 12% of our male staff of military age in Canada, Newfoundland, Jamaica and England. In addition, we have another 99 officers who have volunteered for service and are subject to call at any time. It is with great regret that we have to report two casualties amongst our officers on military duty in the past year—one member in the Royal Air Force having been lost in action and another while training. The positions of all our officers on military service are being held for them until their return. We know that they carry with them the good wishes of the shareholders as well as those of the executive and staff."

109th Annual Statement

The Bank of Nova Scotia

Capital Paid Up
$12,000,000

THE BANK OF NOVA SCOTIA INCP. A.D. 1832

Reserve Fund
$24,000,000

PROFIT AND LOSS

Balance December 30th, 1939	$ 1,174,559.85
Net profits for the year ending December 31st, 1940, after Dominion and Provincial taxes $1,004,027.04 and after making appropriations to Contingent Accounts out of which accounts full provision for Bad and Doubtful Debts has been made	1,941,330.92
	$ 3,115,890.77
Dividends Nos. 281, 282, 283, 284 at 3% per quarter	$ 1,440,000.00
Contribution to Officers' Pension Fund	200,000.00
Written off Bank Premises	250,000.00
Balance carried forward December 31st, 1940	1,225,890.77
	$ 3,115,890.77

General Statement as at December 31st, 1940

LIABILITIES

Capital paid up		$ 12,000,000.00	
Reserve fund		24,000,000.00	
Dividends declared and unpaid		361,916.79	
Balance of profits, as per profit and loss account		1,225,890.77	
			$ 37,587,807.56
Notes in circulation		$ 8,058,969.03	
Deposits by and balances due to Dominion Government	$ 5,195,393.52		
Deposits by and balances due to provincial governments	952,542.77		
Deposits by the public not bearing interest	85,914,472.58		
Deposits by the public bearing interest, including interest accrued to date of statement	177,577,255.77		
		269,639,664.64	
		$277,698,633.67	
Deposits by and balances due to other chartered banks in Canada		3,280,734.58	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries		2,594,006.35	
			$283,573,374.60
Acceptances and letters of credit outstanding			6,702,680.42
Liabilities to the public not included under the foregoing heads			818,868.98
			$328,682,731.56

ASSETS

Gold held in Canada	$ 5.00	
Subsidiary coin held in Canada	435,388.15	
Gold held elsewhere	2,230.67	
Subsidiary coin held elsewhere	1,147,608.86	
Notes of Bank of Canada	7,381,318.25	
Deposits with Bank of Canada	17,105,057.01	
Notes of other chartered banks	246,628.05	
Government and bank notes other than Canadian	6,063,792.79	
		$ 32,382,028.78
Cheques on other banks		13,594,660.69
Due by banks and banking correspondents elsewhere than in Canada		17,632,582.61
		$ 63,609,272.08
Dominion and provincial government direct and guaranteed securities, maturing within two years, not exceeding market value		49,371,039.83
Other Dominion and provincial government direct and guaranteed securities not exceeding market value		58,660,425.60
Canadian municipal securities, not exceeding market value		11,111,525.91
Public securities other than Canadian, not exceeding market value		738,240.41
Other bonds, debentures and stocks, not exceeding market value		11,235,985.93
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		5,052,312.25
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities, of a sufficient marketable value to cover		333,860.00
		$200,112,662.01
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$ 93,339,016.47	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	14,399,566.21	
Loans to provincial governments	799,100.12	
Loans to cities, towns, municipalities and school districts	3,828,911.95	
Non-current loans, estimated loss provided for	401,583.95	
		$112,768,178.70
Liabilities of customers under acceptances and letters of credit as per contra		6,702,680.42
Mortgages on real estate sold by the bank		82,152.26
Bank premises, at not more than cost, less amounts written off		6,114,380.34
Deposit with the Minister of Finance for the security of note circulation		449,170.88
Shares of and loans to controlled companies		2,350,000.00
Other assets not included under the foregoing heads		103,506.95
		$328,682,731.56

J. A. McLEOD, President

H. D. BURNS, Assistant General Manager

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1940, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were confirmed by us at the close of business on December 31st, 1940. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
A. B. SHEPHERD, F.C.A., of Peat, Marwick, Mitchell & Co.
} Auditors.

TORONTO, CANADA, 14th January, 1941.

Banking

Hepburn's Money Plan Claimed Too Indefinite

Increase in Currency Circulation to Finance War Regarded as Dangerous — Comparison With U. S. Overlooks Important Factors

Premier Hepburn's advocacy of currency expansion with the object of financing the war at an interest cost lower than 3% brings again to the fore the bogey of inflation that has been in the minds of many people.

The Ontario premier in a press statement this week claims that an increase in the volume of money is not in itself inflation. He would not flood the country with "useless worthless money," he says, but would rather make available sufficient new currency in order to take care of the expanding requirements of wartime. He drew a comparison between the circulation of "real money" in the United States of $70 per capita against $30 per capita in Canada, implying the latter was too low. He explained that what he meant by real money was till money, not cheque money by which American nations carry on much of their business.

It appears then that what Mr. Hepburn is advocating is an increase in the actual amount of currency in the country. He does not say how this is to be put into circulation, but possibly he would have the Government pay it out on war contracts rather than paying contractors with cheques drawn on the proceeds of loans.

Some economists with whom The Financial Post attempted to discuss the proposal stated they could not find anything definite in Mr. Hepburn's plan to discuss. They pointed to the fact that the volume of bank note money in Canada, including Bank of Canada notes and notes of the chartered banks, had increased from $281 millions to $441 millions since the war. They asked if he would increase the volume of till money more than this? If so, how much would he increase it? Would he have increased it already by the amount of money raised by the two war loans, the war savings certificates and the two loans made to the chartered banks totalling over a billion? Until he made some of these points clear, they stated, it was difficult to discuss his plan.

The U. S. Situation

Another economist, dealing with the variation between the currency circulation figures in the United States and Canada, stated that this was affected by two factors:

1. During and since the depression, due to the system of banking in vogue in the United States, many banks in that country had failed. This meant that many people were without banking facilities and had to work on a cash system rather than by cheques as the Canadians do.

2. Ever since the war scare started in Europe many Europeans changed their money into U. S. dollars, believing it the safest currency in the world. Much of the currency exported from the United States is believed to have been hidden in Europe and is still there.

These two factors, this man believed, would account for some of the difference in the per capita circulation figures quoted by Mr. Hepburn.

Can't Keep Circulation Up

He pointed out further that there is no sound way by which bank notes put into circulation among the public can be kept there. Most people keep enough money in their pocket for their immediate needs but not more. The surplus they deposit in the bank. If more currency is used it will be because the cost of living is higher. The volume of business won't be any larger, he maintained, but the cost of doing business would be higher. This would require people to carry more money with them. They would also keep more money on hand if, as in parts of the United States, there were no banking facilities by which they could do business with cheques instead of cash.

As regards borrowing money at three quarters of 1%, the question that at once occurs is will the public lend its money at that figure. Canada now borrows money on treasury bills at, say, five eighths of 1% for short-term loans. But it is a question how much the public would lend at this figure.

The authority indicated above stated in this regard that in the United States much of the government bonds had been sold to the banks or large institutional investors and this worried the American authorities because the effect is apt to be inflationary and besides it does not indicate any public desire to lend the money. Most of these bonds have been tax free. But the economist asked what will happen if President Roosevelt wants to sell a large issue of non-tax free bonds to the public. It is believed he will have to offer a considerably higher rate.

Attitude of Dominion

The Dominion Government has at different times stated its opposition to policies of an inflationary nature. The nearest approach in government financing to Mr. Hepburn's proposals since the war started is the two loans made from the chartered banks, one for $200 millions in October, 1939, and one for $250 millions just recently. The Government received some criticism for the latter as being contrary to the stated policy. Mr. Ilsley, however, in his forecast of this action, explained that such action was only to be taken before full employment had been reached. Otherwise it is evident it would be inflationary in its effect.

Mr. Hepburn's proposal seems to be predicated on a desire to fight the war by painless financing methods. Experience has shown these methods to be more painful than they at first appear. In later articles The Financial Post will discuss some of the methods that have been attempted and their result.

Exchange Holdings Show Decrease

Government Deposits With Bank of Canada Also Decline

A decline of $23 millions in total assets is shown by the Bank of Canada in its statement for the week ended Jan. 15. This decline was largely due to a reduction of $14 millions in holdings of sterling and U.S. exchange and Dominion Government short-term bonds.

The decline in the holdings of foreign exchange was probably caused by sale of exchange to the Dominion Government for payments abroad for war purposes. Dominion Government deposits with the Bank of Canada fell almost the same amount as the holdings of foreign exchange.

Deposits of the chartered banks were lower as well, possibly reflecting Government withdrawals from them also for war expenditures and permitting the banks to maintain a lower reserve with the Bank of Canada. Other deposits were higher, this increase being possibly money paid over to other governments in connection with war financing.

Note circulation was down again, dropping $6.6 millions, a seasonal movement.

Balance Sheet

	Jan. 15 1940	Jan. 8 1941
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	347,635,882	354,293,921
Rest fund	2,449,757	2,449,756
Depos.: Dominion.	19,475,364	33,315,637
Bank	222,063,874	227,082,568
Other	10,101,509	7,927,300
Total deposits	251,640,747	268,325,505
All other liabs.	6,809,194	6,564,421
Total liabs.	613,535,580	636,633,603
Assets		
Reserve:		
In sterl. & U. S.	38,206,505	52,665,278
Subsidiary coin	727,264	599,265
Investments:		
Dom. Gov. short	436,605,009	444,777,594
Other Dom. Gov.	129,038,430	129,226,506
Total invest.	565,643,439	574,004,100
Premises	1,706,558	1,703,273
All other assets	7,251,814	7,661,687
	613,535,580	636,633,603

Permit Montreal Brokers Handle Bell Shares

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces permission has been given to its members and associates to participate in the secondary distribution of a block of about 30,000 shares of Bell Telephone Co. of Canada.

Both members of the Montreal Stock Exchange and members of the Investment Dealers Association of Canada will assist in the distribution, which involves shares repatriated from the United Kingdom.

Members of the Exchange will act as principals in disposing of the shares and have been requested to report their transactions to the Exchange.

Bank Chat

In a study of the behavior of bank deposits in Canada between 1910 and 1934, in the Quarterly Review of Commerce, published by the University of Western Ontario, Dr. Mark K. Inman finds:

1. A distinct tendency to cyclical variation in both demand and savings accounts. This variation, he explains, does not conform closely with the theory of J. M. Keynes that deposits shift from savings to demand accounts when business is active and move the opposite way in times of decline. There is some evidence of this he finds, but the movements can be explained mainly on other grounds.

2. There was no continuous growth in Canada of time deposits as compared with demand deposits between 1919-1929 as there was in England and the United States. Consequently any decline in the price level cannot be attributed to "concealed deflation" of this character. The downward trend of wholesale prices, he finds, was due to other causes, especially the general increase in production and the speculation in securities in proportion to the growth of bank credit.

3. From 1929 to 1934 there was more evidence of variation in the price level resulting from a shift from one form of deposits to another. A change to savings deposits had a deflationary influence, 1930-32, when people were saving their money rather than spending it, while a switch to demand deposits in 1933 and 1934 had an inflationary effect. This, he finds was only one of several factors, however, affecting prices.

4. There is a close relation in Canada between the movement of savings deposits and the national income, the two rising and falling fairly well together.

Weekly Bank Clearings

	Jan. 16 1941	Change Year Ago	Jan. 9 1941
	$	%	$
Halifax	2,983,205	+7.4	3,879,964
Saint John	1,983,387	—8.9	2,441,597
Moncton	676,375	—0.6	899,745
Sherbrooke	762,360	+20.4	1,060,949
Quebec	4,693,475	+2.1	5,958,166
Montreal	94,740,069	—12.3	92,526,581
Ottawa	41,585,705	+100.7	70,548,474
Kingston	650,165	+14.8	812,793
Peterborough	564,835	—0.7	656,274
Toronto	130,538,115	+20.4	131,479,594
Hamilton	5,593,697	—19.0	6,567,276
Kitchener	1,077,646	+9.3	1,290,516
Brantford	858,271	+4.6	1,197,147
London	2,009,612	+1.5	3,271,152
Chatham	554,016	—10.6	602,708
Windsor	3,385,968	+8.9	3,858,837
Sarnia	380,822	—9.9	563,376
Sudbury	1,012,942	+17.4	1,046,470
Fort William	814,432	+3.3	1,074,979
Winnipeg	37,569,183	—7.4	42,139,818
Brandon	319,427	+21.7	427,068
Regina	3,506,162	+63.7	4,218,758
Moose Jaw	782,260	+2.5	864,930
Saskatoon	1,396,376	+14.5	1,554,586
Prince Albert	349,525	+4.5	495,734
Edmonton	4,310,112	+2.6	5,384,987
Lethbridge	313,150	+15.7	639,730
Medicine Hat	320,281	+60.7	344,649
N. W'minster	619,791	+13.0	682,379
Vancouver	17,311,261	+3.2	18,894,317
Victoria	1,806,977	+3.8	1,901,023
Calgary	5,511,320	+19.7	6,435,832

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 20

A

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
2.50	.50	.	...	Abitibi	1225	.70	.75	.65	.65
17½	2	.	...	Do. pref. 6%	386	6½	6½	6	6
33	5½	.	...	Do. pref. 7%	....	(— bid 13 asked)			
6	3	.	...	Acme Glove	....	(2 bid 5 asked)			
57	45	6.50	13	Do. pref.	13	50	50	50	50
12½	9	80+20c	8.7	Agnew Surp.	55	11½	11½	11½	11½
110	105	7	6.5	Do. pref.	15	108½	108	107½	107½
3.00	.75	.	...	Alta. Pac. Gr.	75	1.50	1.25	1.25	1.25
36	20	.	...	Do. pref.	21	26	26	25½	26
16⅞	7	.	...	Algoma Steel	235	10	9½	9	9
100	81	♦2.50	...	Do. pref.	545	92¾	96½	94¾	96½
145	80	6+2	7.3	Aluminum	225	110	111	109	110
125	100½	6	4.8	Do. pref	....	107½ bid 123 asked			
6½	5	.	...	Amal. Electric	....	(5 bid 9 asked)			
43	34¾	*60c	1.7	Amer. Cyn. B.	....	(34¾ July 16)			
49¾	43½	2.75	6	Ang. Can. Tel p	....	(45½ bid 47 asked)			
26½	14	60+60c	7	Asbestos	1015	16½	16¾	16½	16½
19½	12½	♦1.35	9	Assoc. Brew.	330	15	15½	15	15
112½	109½	7	6.4	Do. pref.	....	(109¾ bid — asked)			
•2	2	.	...	Assoc T. & T.A.	....	(— bid — asked)			
24	24	48c	...	Do. pref.	....	(— bid 25 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(100 bid — asked)			

B

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
164	137	8	5.7	Bk. Can. Nat.	1	147	140	140	140
212	170	8	4.2	Bk. Montreal	75	191	191	190	190
315	280	12	4.2	Bk. N. Scotia	16	283	283	281	282
268	200	10	4	Bk. Toronto	62	246	249½	246	249½
•5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	2	.	...	Barker's Bread	....	(1½ bid 1¾ asked)			
28	19	2.50	9.2	Do. pref.	....	(24 bid — asked)			
15¾	6½	1	7.7	Bathurst Pr.	837	13	13	12½	12½
5	1½	.	...	Do. (B)	20	2½	2½	2½	2½
1.75	.05	.	...	Bawlf Grain	....	(— bid .10 asked)			
49	25	.	...	Do. pref.	10	48	49	49	49
5	2½	.	...	Beath & Sons	....	(2 bid 4 asked)			
8	3	.	...	Beatty Bros.	40	8	7	7	7
102	90	6	5.9	Do. pref.	95	101½	101	101	101
90	88	7	7.9	Do. 2nd pref.	....	(85 bid 90 asked)			
10½	9	.	...	Beauharnois	652	9½	9¾	9½	9½
97	80	4	5	Belding Cort.	....	(80 bid 90 asked)			
150	124½	7	5.6	Do. pref.	....	(124 bid 127 asked)			
169	130	8	5	Bell Telephone	2587	158½	158½	157	157½
12	8	60+15c	..	Biltmore Hats	10	8¾	8¾	8¾	8¾
9½	5	.	...	Blue Ribbon	10	5½	5½	5½	5½
42	34	2.50	7	Do. pref.	120	37	37½	35½	37½
21	19	1.30	6.1	Brant. Cord. pf.	40	20¾	20¾	20	20¾
10¾	3¾	.	...	Brazilian Tr.	2716	7¾	7½	6¾	6¾
5½	3	50+25c	..	Brew. & Distil.	177	5½	5½	4	4
6½	4	30c	7.5	Bright, T. G.	....	(6½ bid — asked)			
90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
23¾	14¾	1	5.7	Brit. Amer. Oil	3156	18	18¾	17	17½
19¾	9	.	...	B. C. Packers	200	10	12½	12½	12½
30	23	2	7.7	B. C. Power A.	97	26	26½	25	25
3.12	1.00	.	...	Do. (B)	25	1.25	1.30	1.30	1.30
7	4½	.	...	Bruck S. Mills	235	5	5	4¾	5
17½	12	70+10c	5.5	Building Prod.	305	14½	15¾	14½	14¾
14	6½	60c	6.2	Burlington St'l	30	10¾	9¾	9¾	9¾

C

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102	90	6	5.9	Do. pref.	....	100¾ bid 104½ asked			
5½	1¾	.	...	Canada Bread	....	(2½ bid 2¾ asked)			
105	90	5	5	Do. pref.	....	(97½ bid 99½ asked)			
58	35	2.50+37½c▲	6	Do. pf. B.	20	40	37	37	37
6	3½	40c	...	Canada Bud	10	4½	4½	4½	4½
8½	3	.	...	Canada Cement	265	6½	6½	6	6
101	75	5	5	Do. pref.	80	100	99½	98½	98½
4½	4½	.	...	Can. Cr. Stone	....	(4½ bid — asked)			
106	102	5	4.9	Canada Cycle, p	....	102¾ bid 106 asked			
35	24	1.50	5.7	C. & D. Sugar	225	26½	27	26½	26½
23	11	1.50	9.7	Can. Forg. (A)	....	(15½ bid 20 asked)			
22	13	1.50	8.8	Do. (B)	....	(15 bid — asked)			
40	25	♦4.50	...	Can. Iron	....	(31 bid — asked)			
75	65	♦7	...	Do. pref.	....	(70 bid — asked)			
390	390	20	5.1	Canada Life	....	(380 bid 400 asked)			
4	1	.	...	Can. Mach'y	....	(3¾ bid — asked)			
32	25	3.50	...	Do. pref.	....	(38 bid — asked)			
40	29¾	2+50c	6.6	Can. Malting	151	38	39	38	38½
18	8	♦1.13	...	Can. Nor. Pr.	85	8¾	8½	8	8
111½	90	7	7.4	Do. pref.	37	95	95	95	95
104¾	65	3+1	4.6	Can. Packers	5	87½	87	87	87
.25	.25	.	...	Can. Paving, p.	....	(— bid .25 asked)			
150	117	8	5.9	Can. Perman.	5	136	136	136	136
9	6½	♦1	...	Can. Starch	115	8	9	9	9
110	109	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	2	.	...	Can. Steamsh's.	1047	5	5½	4¾	4¾
21¾	9¾	♦62½c	...	Do. pref.	1466	20½	20½	19	19½
15½	5	♦60c	..	Can. Vinegars	90	7	8	8	8
65	40½	4	6.5	Can. W. Cable	85	60	61	58	58
24	14	♦1.25	5.4	Do. (B)	35	23	20	19½	19½
108¾	105	6.50	6.1	Do. pref.	....	(105½ bid — asked)			
3	½	.	...	Can. Bakeries	50	½	½	½	½
64	30	♦3	...	Do. pref.	....	(25 bid 39 asked)			
178	135	8	5	Can. Bk. Com.	12	162	162	160	160
2.75	.90	.	...	Can. Breweries	1025	.90	.95	.90	.95
31¾	21¾	3	12	Do. pref.	133	24½	25	23½	25
45	29	1.50+50c	5½	Can. Bronze	50	36	35½	35½	35½
107	102	5	4.8	Do. pref.	110	105	104½	104	104
10¾	6	♦37½c	..	Can. Canners	150	6½	6½	6	6½
22½	17	1+15c■	6	Do. 1st pfd.	30	19¾	19½	19¾	19½
14	7¾	♦60+15c■	7½	Do. 2nd pf.	65	10	9¾	9¾	9¾
16¾	5½	.	...	Can. Car & F'y	2110	9½	9¾	8¾	8¾
29	12¾	.	...	Do. pref.	1610	25½	26	23¾	24¾
37¾	20	1+90c	..	Can. Celanese	405	28	28	27	27
129	104	7+1.16■	..	Do. pref.	115	124	123	123	123
23	20	1	4.3	Do. Rights	50	22	23	23	23
19½	14	1	5.3	Can. Convert.	110	18	19	18	19
120	90	4+2	6.7	Can. Cottons	1	93	90	90	90
118	99½	6	5.4	Do. pref.	7	105	110	110	110
32	9½	1.50	7.5	Can. Dredge	75	20¾	20½	20	20
101	100	6	6	Can. Fairb. pf.	....	(98 bid — asked)			
14¾	5	1.40	...	Can. For. Inv.	145	10	10½	10½	10½
104½	98	8	7.7	Do. pref.	25	104½	104	104	104
240	195	8	3.6	Can. Gen. Elec.	15	215	220	220	220
9½	5	50c	...	Can. G. Inv.	....	(8½ bid — asked)			
3.62	1.50	15c	...	Can. Ind. Alc.	1654	2.50	2.87	2.38	2.38
3.12	1.00	15c	...	Do. (B)	25	2.25	2.50	2.50	2.50
235	175	7	3.4	Can. Indust. B.	17	206½	205	205	205
176	150	7	4	Do. pref.	....	(169 bid 175 asked)			
.30	.10		...	Can. Int. I. Tr.	....	(.25 bid .50 asked)			
50	25	2	4.2	Do. pref.	....	(40 bid 50 asked)			
18½	12	1	8.3	Can. Lt. & Pr.	....	(13 bid — asked)			
20	6		...	Can. Locomo.	20	8	8	8	8
1.40	.65	♦4c	...	Can. Marconi	50	.85	.85	.85	.85
21½	11	50+50c	6	Can. Oil	....	(— bid — asked)			
123	109¾	8	6.7	Do. pref.	....	(118 bid 123 asked)			
8½	4	.	...	Can. Pacific	5876	5¾	6	5¾	5½
1.50	.25	.	...	C. Pr. & Pa. In.	500	.25	.50	.50	.50
5	1¾	.	...	Do. pref.	550	1¾	2½	2	2
8½	2	.	...	Can. Vickers	180	3½	3	3	3
33	7¾	.	...	Do. pref.	40	14½	15	15	15
13½	9½	1	...	C. Wallpaper A.	....	(9 bid 10 asked)			
13	7	1	...	Do. (B)	15	8½	9	9	9
52½	39	♦1.50	..	Can. West'ho'se	....	(— bid 47 asked)			
5½	3	15c	...	Can. Wineries	....	(3¾ bid 4½ asked)			
22	13½	1.50	7.3	Can. Wire Box.	20	20½	20½	20½	20½
1.75	1.00		...	Capital Estates	....	1.05 bid 1.25 asked			
119	114	5	4.2	Carnation, pfd.	5	118	119	119	119
18	8½	50c	5.3	Catelli Food	....	(7½ bid 10 asked)			
14½	10	75c	7.5	Do. pref.	....	(10 bid 14 asked)			
37½	37½	1	...	Celanese of A c	....	(— bid — asked)			
2.25	1.50		...	Celtic Knit	....	1.75 bid 2.50 asked			
160	160	8	5	Cent. Can. L'n	....	(135 bid 160 asked)			
102	95	4+1	5.3	Chart. Trust	....	(75 bid 94 asked)			
.54	.10	.	...	Chem. Research	120	.30	.30	.27	.27
.30	.05	.	...	City Gas & El.	50	.10	.30	.30	.30
.15	.03	.	...	Claude Neon	....	(.10 bid .20 asked)			
1.42	1.00	12c	...	Coast Brew.	....	1.33 bid 1.38 asked			
9½	3½		...	Cockshutt Plow	165	5	5½	5	5½
3.50	1.15	10c	...	Comm. Alcohol	550	1.95	1.90	1.80	1.80
7	5	40c	6.6	Do. pref.	25	6	6	6	6
4¾	3¾	♦40c	..	Conduits Nat.	....	(2¾ bid 5 asked)			
19	12½	1+25c	9	Cons. Bakeries	10	13½	13¾	13¾	13¾
.10	.05		...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
11	6½	75c	...	Do. pref.	....	(8½ bid 14 asked)			
8½	3		...	Cons. Paper	1415	3¾	3¾	3½	3¾
10	3½	..	...	Cons. Press	25	4	3¾	3¾	3¾
75	55	♦4.75	..	Cons. Sand, pf.	....	(75 bid 90 asked)			
49	28½	1+1.25	5.9	Cons. Smelters	458	39	39	38	38
178	140	10	6.9	Consumers' Gas	106	143½	143½	143	143½
68	40	♦1.75	..	Corr. P. Box, p	....	(30 bid 40 asked)			
31½	19¾	1.20	5.4	Cosmos Imp.	20	24¾	24	22	22
32	21	2	6.9	Crown Cork	....	(28 bid 32 asked)			
3	1½		...	Crown Dom. Oil	....	(1½ bid — asked)			
35	27	3	9.7	Crow's N. Coal	....	(30½ bid 35 asked)			
3.75	.70	.	...	Cub Aircraft	1385	1.00	.95	.85	.90

D, E

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
19	9¾	1+10c	10	David & Fre. A	....	(10½ bid 12 asked)			
3¾	1	.	...	Do. (B)	....	(— bid 2½ asked)			
17	6½	.	...	de Havilland	5	10	8½	8½	8½
92	75	7	...	Do. pref.	....	(65 bid — asked)			
3¾	1½	.	...	Disher Steel	....	(1½ bid 2 asked)			
15½	10	♦1.50	..	Do. pref.	....	(12 bid 16 asked)			
29	18½	2.22	7.5	Distill-Seagram	1300	26¾	27	26½	26¾
97½	80	5	5.3	Do. pref.	....	(93 bid 97 asked)			
39¾	39¾	1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	75	70	70	70	70
210	150	10	5.1	Dom. Bank	8	195½	197	193	193
40	22	1.20	4.6	Dom. Bridge	118	26½	26½	25	25
22½	16	1.50	7.3	Dom. Coal, pf.	110	20½	20½	20	20½
44	20		...	Dom. Engineer.	....	(10 bid 30 asked)			
36½	19	1	4.5	Dom. Foundries	41	22¾	24	22	24
110	103½	6	5.7	Do. pref.	....	(107 bid 110 asked)			
129	113	5	3.9	Dom. Glass	....	122 bid 125½ asked			
156	135	7	4.8	Do. pref.	....	(150 bid — asked)			
35	29	1.20+40	5.4	Dom. Oilcloth	25	30½	29½	29½	29½
1.50	1.00		...	Dom. Scot. Inv.	....	(.45 bid .90 asked)			
31	24½	♦2.25	...	Do. pref.	....	(25 bid 27 asked)			
4¾	1	.	...	Dom. Square	....	(1½ bid 2¾ asked)			
15¾	6½	.	...	Dom. St. & C.B.	2175	9¾	9¾	9	9
6½	3	.	...	Dom. Stores	225	4¾	4¾	4¾	4¾
8½	3	.	...	Dom. Tar & Ch.	175	4½	4¾	4¾	4¾
90	75	5.50	6.3	Do. pref.	....	(— bid 87 asked)			
90½	70	5	6.3	Dom. Textile	100	80	79	79	79
155	140	7	4.8	Do. pref.	....	(144½ bid — asked)			
3¾	¼	.	...	Dom. Woollens	1	2	1	1	1
9½	3	60c	...	Do. pref.	95	8	8	7¾	7¾
10	3½	.	...	Donnacona P.A.	630	5¾	5¾	4¾	4¾
9½	3	.	...	Do. (B)	244	4¾	4¾	4½	4½
11¾	4	.	...	Dryden Paper	86	5½	5½	5½	5½
•1.00	.30	.	...	East Koot. Pr.	....	(— bid — asked)			
7	5	.	...	Do. pref.	50	7	7	7	7
1.00	.50	.	...	East Dairies	....	(— bid .50 asked)			
11½	3	.	...	Do. pref.	10	9	8	8	8
18½	8	1	7.7	East Steel	....	(11 bid 14¾ asked)			
6½	6½	.	...	East. Theat.	....	(— bid — asked)			
4½	2¾	.	...	Easy Washing	....	(3½ bid 3¾ asked)			
29½	18	1.75	...	Economic Inv.	....	(22 bid 24 asked)			
12	6¾	♦1.10	...	Electrolux	125	7	7¾	7¾	7¾
5½	2		...	Enam. & Heat.	20	3	3	3	3
34	21	2.50	10	English Electric	136	27½	29	25	25
6	1½	.	...	Do. (B)	70	5	5	5	5
6	3½	15c	...	Equitable Life	14	5	5	5	5

F, G

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
6½	2	.	...	Fairchild Air	15	2¾	2½	2½	2½
24	18	1	4.5	Fam. Players	....	(— bid 22 asked)			
30	20¾	1.50+25c	6	Fanny Farmer	990	27¾	28	26½	26¾
10½	3½	.	...	Fleet Aircraft	365	6	5¾	5¾	5½
1.50	.75	.	...	Fleury Bissell	....	(— bid .75 asked)			
27	17	.	...	Do. pref.	....	(16 bid 17 asked)			
22¾	13½	1	6.3	Ford Motor A.	2231	15¾	15¾	15½	15½
21½	14	1	6.7	Do. (B)	....	(15½ bid — asked)			
.20	.05	.	...	For. Pr. Secs.	....	(.15 bid — asked)			
15¾	6	♦50c	..	Foundation Co.	135	12¾	12½	12	12
20	6	.	...	Fraser Cos.	115	9	9	8	8
21¾	7½	.	...	Do. Vot Tr.	300	9¾	9½	9½	9½
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
42	25	.	...	Do. pref.	....	(40 bid — asked)			
16½	9	80c	8.8	Gatineau Pwr.	400	9½	9½	9	9½
97	79	5	5.6	Do. pref.	45	89	90	89	89
105½	90	5.50	5.8	Do. 5½% pref.	16	95	95½	94½	95½
6	1½	.	...	Do. Rights	110	1½	1½	1½	1½
10¾	4½	.	...	Gen. St. Wares	305	6	6	5¾	5¾
96½	77	7+76c■	..	Do. pref.	60	94	93½	93½	93½
87	58	2.50+2.50	6	Goodyear Tire	61	80	80	78	78
57½	51	2.50	4.6	Do. pref.	35	53¾	54	54	54
*50	50	♦7	...	Gould Pumps, p	....	(— bid — asked)			
8	4		...	Gt. Lakes Pap.	....	(2½ bid 7 asked)			
29	18½	♦1.25	..	Do. pref.	....	(— bid 27 asked)			
8	1¾	.	...	Do. Vot. tr. c.	9	3	3	1¾	1¾
27½	13	♦1.25	..	Do. Vot. tr. p	21	18	19½	18	19½
3½	1¾		...	Gt. W Saddlery	30	2½	2	2	2
35	24	♦3	...	Do. pref.	....	(— bid 35 asked)			
14¾	11	60c	5.4	Greening Wire	80	11½	11	11	11
1.25	1.25	10c	..	Growers' Wine	....	(— bid — asked)			
10½	4	.	...	Gurd, Chas.	20	5	4½	4½	4½
107½	106½	7	6.5	Do. pref.	....	(— bid 107¾ asked)			
5½	2½	.	...	Gypsum, Lime	170	3½	3½	3½	3½

H, I

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
21½	21½	1	4.7	Halifax Fire	....	(— bid 17 asked)			
8½	2¾	.	...	Ham. Bridge	127	4¾	4¾	4	4¾
39	34	2+1.25▲	5½	Ham. Cot., pf.	40	34½	36	36	36
2.50	.50		...	Ham. U Theat.	....	(.75 bid 1.00 asked)			
75	50	♦5.50	..	Do. pref.	....	(63 bid 70 asked)			
4¾	2¾	20c+10c		Harding Carpet	100	3½	3½	3½	3½
.25	.25	.	...	Hillcrest Coll.	....	(.10 bid 1.00 asked)			
4	2	.	...	Do. pref.	....	(2½ bid 4 asked)			
16	7½	50c	4.7	Hinde & Dauch	....	(9½ bid 10½ asked)			
*20	20		...	Holt Renfrew	....	(— bid 14 asked)			
40	20	.	...	Do. pref.	....	(17 bid — asked)			
25	15	1	5.8	Honey Dew	....	(14½ bid 17½ asked)			
23½	11½	.	...	H. Smith Pap.	125	14¾	14	14	14
106	85	6	6	Do. pref.	107	101	100	99½	99½
17	10½	1	5.6	Humberstone S.	5	18	15½	15½	15½
11	4	.	...	Hunts (A)	....	(4½ bid 5 asked)			
10¾	4½	.	...	Do. (B)	25	5	4½	4½	4½
74½	53	4	7.4	Huron & E. Mt.	....	(52 bid 64 asked)			
13	8	80c	...	Do. 20% pd.	....	(— bid 10 asked)			
2¾	2½	20c	...	Hydro Electric	....	(¾ bid 1¾ asked)			
220	150	10	4.9	Imperial Bank	46	203	205	203½	205
15¾	8½	♦50+12½c	6	Imperial Oil	5373	10½	10½	9½	9½
16½	12	40+22½c	4	Imperial Tob.	960	13½	13½	13½	13½
8	6½	6%	4.1	Do. pref.	700	7	7¾	7¾	7¾
29	15½	♦1.75	..	Indust. Accept.	190	16	15½	15½	15½
36	25	3	...	Inter-City Bak.	....	(20 bid 33 asked)			
51	10	6+1	...	Inter'c Coal	20	50	50	50	50
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	14	1.50	9.4	Inter. Bronze	....	(16½ bid — asked)			
28½	19¾	1.50	6.4	Do. pref.	....	(24½ bid 25½ asked)			
.30	.30	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
15½	5		...	Int. Metal Ind.	100	9	9	8¾	8¾
114	90	6+12▲	5.7	Do. pref.	5	105	103½	103½	103½
113½	85	6+12▲	5.9	Do. pref. A.	....	100½ bid 105 asked			
116	111¾	5	4.3	Int. Mill., pf.	20	115¾	115	115	115
47	27	2	5.7	Int. Nickel	4725	36½	36¾	35½	35½
3½	1		...	Int. Paints	....	(2 bid 2½ asked)			
18	11	1+25c▲	...	Do. pref.	....	(13½ bid 20 asked)			
23¾	12		...	Int. Pap. & P.	....	(— bid 16½ asked)			
81	47	5+1.25▲	7	Do. pref.	25	73	71	71	71
24	12½	♦1.25	8	Int. Pete.	3538	15¾	15¾	14½	14¾
6	2		...	Int. Power	50	3½	3½	3½	3½
96	69	♦6.25	...	Do. pref.	15	86½	87½	86½	86½
*11¾	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
*4	3¾	.	...	Do. (B)	....	(— bid 4 asked)			
11½	4½	.	...	Int. Util. (A)	100	5½	7	7	7
.65	.15	.	...	Do. (B)	....	(.20 bid .35 asked)			

J, K, L

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
14½	12	68c	...	Jam. Pub. Ser.	....	(11 bid 13½ asked)			
135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
9½	5	♦1	...	Kelvinator	5	9	9½	9½	9½
28	9		...	L. St. John Pr.	44	11	11	9¾	9¾
2.50	.65		...	Lake Sulphite	....	(.70 bid .90 asked)			
27	14	1	...	Lake of Woods	15	15	15	15	15
*128	110	7	6.2	Do. pref.	10	112	112	112	112
55	48¾	4	7.7	Landed Bank	....	(48 bid 54¾ asked)			
17	10	70+30c	...	Lang, J. A.	....	(10½ bid 14½ asked)			
*3½	2½		...	Langley's	....	(— bid 1¾ asked)			
27	13		...	Do. pref.	25	13½	15	15	15
13½	9	80c	7.9	Laura Secord	1037	10½	10½	10	10
10	2		...	Legare, pref.	185	9½	10	9½	9½
3	3	15c	...	Levy Bros.	....	(3 bid — asked)			
5½	2		...	Lindsay, C. W.	300	4½	4½	4½	4½
55	25		...	Do. pref.	....	(50 bid — asked)			
*28½	20	1+25c	4.7	Loblaw (A)	205	26¾	26½	26¾	26¾
27	20	1+25c	4.9	Do. (B)	160	27	25¾	25½	25½

M

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
1.05	.10		...	Mackenzie Air.	225	1.00	1.00	1.00	1.00
2½	2		...	MacKin. Steel	....	(2½ bid 4 asked)			
59	55	♦2.12½	...	Do. pref.	....	(— bid 75 asked)			
22	9		...	Maclaren Pr. p.	425	15¾	15¾	14½	14½
10	6		...	M. L. Gardens	2	8	8	8	8
7½	4	70c	...	Do. pref.	10	7½	7	7	7
5¾	1¾		...	Maple Leaf M.	284	2¾	2½	2	2
9½	3		...	Do. pref.	118	4¾	4	4	4
17½	15	70+10c	...	Maritime Tele.	....	(16½ bid 17 asked)			
17½	16	70c	4.4	Do. pref.	....	(16¾ bid — asked)			
15	12		...	Marcus Loew's	....	(14¾ bid — asked)			
*100	100	7+7▲	...	Do. pref.	....	(— bid — asked)			
6½	2½		...	Massey-Harris	2805	3½	3¾	3	3
59½	25		...	Do. pref.	100	31½	31½	30	30
9½	4		...	McColl Fron.	210	5½	5½	4	5½
101½	80	6	6.3	Do. pref.	20	96	96½	95	95
1.65	.75		...	Melchers	....	(1.00 bid — asked)			
6¾	3½	30c	...	Do. pref.	....	(5½ bid 5½ asked)			
*1½	1½		...	Mercantile Tran	....	(1½ bid — asked)			
*5	5	6%	...	Do. pref.	....	(4¾ bid — asked)			
12½	5		...	Mercury Mills	30	7	6¾	6½	6½
47	43	2	4.2	Mitchell, J. S.	....	(— bid 50 asked)			
112	110	7	6.2	Do. pref.	10	112	112	112	112
15½	5¾	50c	...	Mitchell, Robt.	30	9½	9	9	9
20	12½	80+40c	7	Mod. Contain.	....	(16 bid 16½ asked)			
99½	93	5.50	5.7	Do. pref.	....	(— bid 100 asked)			
6	2		...	Monarch Knit.	....	(— bid — asked)			
70	60	7	...	Do. pref.	....	(70 bid 75 asked)			
81	55	4	6.3	Montreal Cot.	60	60	63	60	60
120	107	7	6.4	Do. pref.	....	(112 bid — asked)			
.25	.10		...	Mont. Is. Pr.	....	(.25 bid .50 asked)			
31¾	25	1.50	5.3	Mont. L. & Pr.	2606	28¾	28¾	27¾	27¾
50¾	46½		...	Do. Notes	20	50	50	50	50
15	15	♦1.62½	..	Montreal Loan	....	(— bid — asked)			
.85	.16		...	Mtl. Refr. & S.	....	(.50 bid .85 asked)			
10½	6	1.25	...	Do. pref.	....	(10 bid — asked)			
45	30	3.20	10.6	Montreal Tele.	30	38	30	30	30
59½	39	6	11.5	Montreal Trams	24	52	52	50½	50½
48	34½	♦1.70+60c	5	Moore Corp.	420	47	47½	47	47½
189	144	7	3.8	Do. pref. (A)	25	188	188	188	188
282	210	7	2.5	Do. pref. (B)	12	270	279	279	279
.05	.05		...	Muirheads	....	(.05 bid .15 asked)			
1	1		...	Do. pref.	....	(— bid — asked)			

N, O

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
38	25	2	7.5	Nat. Breweries	964	26¾	27½	26¾	26¾
42	32	1.75	4.6	Do. pref.	70	38½	38	38	38
8½	4		...	Nat. Grocers	10	5	4¾	4¾	4¾
26½	22	1.50	5.9	Do. pref.	....	(25 bid 25½ asked)			
10½	6¾		...	N. Sew. Pipe A	....	(7½ bid 10 asked)			
69	34	2	5.4	Nat. Steel Car	415	38½	38½	36	36
193	160	8	5	National Tr.	....	(150 bid 160 asked)			
9½	9½	35c	...	Neon Prod.	....	(— bid — asked)			
32½	20	2	8	Niag. W. Weav.	....	(— bid 20 asked)			
6½	2½		...	Noorduyn Av.	50	2½	3	2½	3
1.30	.60		...	North Star Oil	100	.80	.90	.90	.90
4½	3½	35c	...	Do. pref.	....	(3½ bid 3¾ asked)			
93	85	6	7	N. S. L. & Pr.	....	(87 bid — asked)			
107½	100	6	5.7	Do. pref.	....	(106¾ bid — asked)			
33½	20	1	4.8	Ogilvie Flour	225	21½	21½	20¾	20¾
162	140	7	4.7	Do. pref.	....	(150 bid — asked)			
112	105¾	5	4.7	Ontario Loan	....	105¾ bid 106¾ asked			
5½	2		...	Ont. Silknit	....	(— bid 5 asked)			
45	19		...	Do. pref.	....	(30 bid 45 asked)			
6	3		...	Do. Script	....	(5 bid — asked)			
12	5	♦1	...	Ont. Steel	400	8½	9½	9½	9½
115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
4¾	1		...	Orange Crush	....	(1½ bid 1¾ asked)			
9½	5	70c	...	Do. pref.	5	7½	6½	6½	6½
13¾	6¾	40c	4.8	Ottawa Car	....	(— bid 8 asked)			
16¾	7½	1.20+30c	...	Ottawa El. Rly.	....	(13½ bid — asked)			
16	9¾	1	10	Ott. L. H. & Pr.	....	(9 bid 11 asked)			
103	90	5	5.1	Do. pref.	....	(95 bid 99 asked)			

P, Q, R

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
21	18	3c	...	Pacific Coyle	....	(20 bid — asked)			
111½	89½	5+50c	5.3	Page Hersey	10	104	103	103	103
6	3¾		...	Pantepec Oil	....	(— bid — asked)			
40	30	2	5	Paton Mfg.	....	(25 bid — asked)			
115	115	7	6.1	Do. pref.	....	(110 bid — asked)			
72	46	3	6	Penmans	31	50	50	50	50
135	117	6	4.9	Do. pref.	5	123	123	123	123
24	14	1+50c	9	Photo Eng.	55	16½	16½	16	16½
101	95	7	7.2	Porto Rico Pr. p	4	96	97	97	97
11½	5½	60c	10.9	Power Corp.	330	5¾	5¾	5½	5½
106½	89	6	6.2	Do. pref.	7	95½	96½	96½	96½
47	40	3	7	Do. 2nd pref.	....	(— bid 45 asked)			
12½	6	1	...	Pressed Metals	430	9½	9½	9	9
24	9		...	Price Bros.	525	12½	12½	11½	11½
80½	59½	5.50	8	Do. pref.	25	68	68½	68	68
7½	4	40c	5.9	Prov. Transport	170	6¾	6¾	6¾	6¾
17½	13	1	7.1	Quebec Power	136	14	14	14	14
4¾	4		...	Que. Telephone	....	(4 bid 4½ asked)			
30	24	2	8.3	Real Estate L'n.	....	(24 bid 28 asked)			
6	3	25c	...	Regent Knit	15	5½	5	5	5
17	10	1.60	10	Do. pref.	....	(17 bid 18 asked)			
10	3		...	Reliance Grain	....	(4½ bid 7 asked)			
66	64	6.50	...	Do. pref.	....	(60 bid — asked)			
28	16½	2	12.1	River S. Mill	....	(16¾ bid 17 asked)			
4½	1		...	Rogers Majest.	1200	3½	4	3½	3¾
19½	12	♦75c	5.8	Rolland Pap.	....	(— bid — asked)			
19½	12	♦75c	5.8	Do. Vot Trust	....	(— bid 13 asked)			
102½	85	6	6.3	Do. pref.	20	95	95	94	95
190	145½	8	4.8	Royal Bank	49	165	166	165	165
18	14	80c	5.3	Russell Indust.	....	(14½ bid 16½ asked)			
190	135	7	4.6	Do. pref.	....	(140 bid 155 asked)			

S

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
108	99	5.50	5.3	Saguenay Pr. p	3	104½	106	106	106
38	30	1.50+50	5	Sangamo	....	(34½ bid 37 asked)			
13½	4¾	.	...	Sarnia Br. (A)	....	(6½ bid 14 asked)			
2¾	1½	.	...	Do. (B)	....	(1 bid 2½ asked)			
24½	15½	90c	5.4	Shawinigan Pr.	1931	16½	16½	16	16½
15	7			Sher. Wms.	25	12	12½	12½	12½
126	110	7+5.25▲	6	Do. pref.	5	114¾	115	115	115
6¾	3	.	...	Silverwoods	155	4	4	4	4
7¾	5	40+40c▲	..	Do. pref.	150	6	6	6	6
9	5½	60c	..	Simon & Son.	....	(6 bid 6½ asked)			
105½	100	7	6.6	Do. pref.	....	(— bid — asked)			
21½	10½		...	Simpson, A.	....	(10½ bid 14½ asked)			
12½	3		...	Do. (B)	13	3½	4½	3½	4½
105	79	6.50+1▲	6½	Do. pref.	61	99½	99½	99½	99½
130	126	6	4.8	Simpson, R., pf.	....	(132 bid 140 asked)			
15	9½	80c	7.8	So. Can. Pr.	20	10½	10½	10½	10½
112	92	6	5.8	Do. pref.	1	102½	103	103	103
5½	2	.	...	St. Law. Corp.	181	2¾	2¾	2½	2¾
21	10¾	1+90c	6	Do. (A)	210	16¾	16½	16½	16½
30	17	1+50	7.2	St. Law. Flour	75	21	20¾	20¾	20¾
125	110	7	6.2	Do. pref.	....	(110 bid 115 asked)			
52½	20	2+2	5	St. Law. Pap. p	10	39½	39½	39½	39½
14	7½	♦1+25	..	Stand. Chem.	55	12½	10½	10½	10½
2	¼		...	Stand. Clay	....	(1½ bid 3½ asked)			
2.00	.25	.	...	St. Pav & Mat.	100	.85	.85	.85	.85
6¾	2¾		...	Do. pref.	....	(½ bid 4 asked)			
28½	17	60+60c	5	Stedman Bros.	....	(22 bid 24¾ asked)			
86½	61½	1.75‡	5.7	Steel of Can.	235	69½	69	66	66
83	62	1.75	2.5	Do. pref.	255	73½	73	71	71
4	2	.	...	Sterling Coal	....	(3 bid 4 asked)			
.25	.25		...	Stop & Shop	....	(— bid .20 asked)			
12½	10	80c	8	Stuart, D.A. pf.	....	(— bid 14 asked)			
3½	2¾		...	Supersilk H.A.	....	(— bid 2¾ asked)			
4¾	4		...	Do. (B)	....	(3 bid — asked)			
82	72	5	6.9	Do. pref.	....	(— bid 78 asked)			
34	25	1+50c	5.8	Sup. Pete. ord.	74	26	26	25	26
32	25	1+50c	6	Do. com.	7	32	25	25	25

T, U, V

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
12	8¾	80c	7	Tamblyn	135	10½	11¾	11	11¾
53	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
3	3		...	Thayers	....	(1½ bid 6 asked)			
36	20	2.50	...	Do. pref.	....	(20 bid 25 asked)			
3.00	.20	.	...	Thrift Stores	....	(2 bid 3 asked)			
12	6		...	Do. pref.	10	9	9	9	9
13½	9¾	60c	6.4	Tip Top Tailors	65	9¾	9¾	9¾	9¾
110	100	7	6.5	Do. pref.	....	(102 bid 107 asked)			
3.00	.50	.	...	Tooke Bros.	215	.50	1.50	1.50	1.50
12	5	.	...	Do. pref.	....	(10 bid 15 asked)			
32	16	1	4.6	Tor. Elevators	10	22	21½	21½	21½
49½	37	2.62½	5.8	Do. pref.	2	43	45	45	45
90	70	4	5.3	Tor. Gen. Tr.	1	75¾	75¾	75¾	75¾
98	70½	5	6.2	Toronto Mtge.	6	75	80	80	80
160	140	7	4.7	Tuckett Tob. p.	112	140	149	146	146
2¾	1½		...	Twin City	200	1¾	1¾	1¾	1¾
28	28		...	Do. pref.	....	(— bid — asked)			
17	12	80+20c	7.2	Union Gas	743	14½	14¾	14	14
13½	12	♦80c	6.2	Un. Amuse. A.	....	(13 bid — asked)			
13½	11½	♦80c	6.2	Do. (B)	....	(13 bid — asked)			
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.60	.	...	United Distill.	....	(.60 bid .80 asked)			
42	30	3	8.2	United Fuel, pf.	45	37	37	36½	36½
10	3	.	...	Do. B. pref.	175	5¾	4	4	4
5¾	2½	.	...	United Secs.	....	(4¾ bid 7 asked)			
6½	2½	.	...	United Steel	350	3½	3¾	3½	3¾
4½	1½	.	...	Viau Bisc.	....	(4 bid — asked)			
60	45	5	10	Do. pref.	....	(45 bid — asked)			

W, Y, Z

Range 1940-41 High	Low	Div R'te $	Jan18 Y'ld %	Company	Sales	Last Jan. 13	Week end. Jan. 20 H	L	Cl'se
37	22	2	6.7	Wabasso Cot.	4	28½	26	26	26
48	29½	4	8.9	Walker-Good.	445	45½	45	43½	43½
20½	16	1	4.9	Do. pref.	311	20	20½	20	20½
1.25	.50	.	...	Walkerville Br.	....	(.65 bid — asked)			
135	120	7	5.4	W. Koot. Pr. pf.	....	(130 bid — asked)			
5.00	1.25	.	...	West. C. Flour.	40	1.50	1.30	1.30	1.30
47	21	.	...	Do. pref.	5	25	25	25	25
62	40	3	6.5	West Grocers	....	(45 bid 48 asked)			
112	103	7	6.3	Do. pref.	....	(111 bid 125 asked)			
11¾	11¾	50c	4.2	W'minster Pap.	....	(— bid — asked)			
15	9½	80c	7.3	Weston Ltd.	53	11	11	9½	11
99	76	5	5.2	Do. pref.	....	(95¾ bid 97 asked)			
24½	16	1	5.6	Wilsils	50	18	18½	18	18
2.63	.50	.	...	Winnipeg El. A	561	.85	1.10	1.00	1.00
2.37	.50	.	...	Do. (B)	44	1.00	1.40	1.00	1.00
12	5	.	...	Do. pref.	40	7	7	7	7
85	60	7	8.2	Wood, A. & J. p	2	67	85	85	85
70	30	.	...	Woods Mfg., pf.	10	45	50	50	50
11	5½	♦30c	...	York Knitting	....	(5½ bid 8½ asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	.	...	Zellers	25	9	8½	8½	8½
25	21	1.50	6.2	Do. pref.	40	24½	24¾	24¾	24¾

Quotations: •1939. *1938.
▲ On account of arrears. ♦ Paid in 1940.
‡ Plus extra of $2 payable Feb. 1, 1941. ■ Participating.
° Plus stock div. of $1.50.

Mining Stocks

Week Ending January 20

A

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
No	.38	.10	Aldermac	5,100	.15	.15½	.14½	.14½
1	.06½	.01	Amm. Gold	......	(.01½ bid	.01¾ asked)		
No	3.00	1.40	Anglo-Huronian	220	2.65	2.60	2.25	2.60
No	.40	.25	Argus Interest	......	(.30 bid	.40 asked)		
No	.03	.01	Arno	......	(.... bid	.02½ asked)		
1	.17	.04	Arnfield	5,700	.07	.07	.06½	.06½
1	.07	.02	Ashley	500	.05½	.05½	.05½	.05½
1	.05	.02	Astoria Quebec	250	.04	.05	.05	.05
1	2.68	.90	Aunor Gold	20,097	2.40	2.45	2.25	2.30

B

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	.18½	.02	Bagamac	9,450	.13	.13	.12	.12½
1	.28	.05	Bankfield	2,850	.07½	.07½	.07	.07½
No	.33	.07	Base Metals	8,850	.09½	.11	.09½	.09½
1	.15	.02½	Bear Exploration	42,500	.14	.15	.14	.15
1	1.26	.70	Beattie Gold	2,100	1.20	1.20	1.17	1.17
1	.13	.03½	Beaufor	......	(.09 bid	.10 asked)		
1	1.00	.80	Berens River	700	.80	1.00	1.00	1.00
1	.52½	.07½	Bidgood Kirk.	98,000	.12½	.12½	.10	.12½
1	.14	.02	Big Missouri	......	(.04½ bid	.05½ asked)		
1	.11½	.03½	Bobjo	25,900	.07	.08½	.07	.07½
1	.04½	.02	Bouscadillac G.M.	......	(.03½ bid	.04 asked)		
No	11.25	7.25	Bralorne	220	10.37	10.50	10.25	10.25
1	.06	.01½	Brazil Gold	......	(.01½ bid	.05 asked)		
1	.01½	.00¼	Brett Trethewey	4,000	.01	.01½	.01	.01½
1	1.10	.28	Broulan Porc.	66,200	1.07	1.10	.97	.98
1	8.70	2.75	Buffalo Ankerite	1,850	5.60	5.50	4.50	4.50
No	.04½	.01	Buffalo Can.	14,500	.04	.04½	.04	.04½
5	23.50	10.00	Bulolo Gold	100	18.00	18.00	18.00	18.00
No	.03½	.01	Bunker Hill	......	(.01½ bid	.03 asked)		

C

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
No	.90	.30	Can. Malartic	2,767	.50	.55	.45	.55
1	2.85	1.65	Cariboo Gold	1,100	2.55	2.85	2.55	2.75
1	.02½	.01	Cartier Malartic	......	(.01 bid	.02½ asked)		
1	.75	.45	Castle Trethewey	3,300	.50	.55	.55	.55
1	.20	.05	Cen. Cadillac	2,000	.07	.07	.06½	.06½
1	2.55	1.45	Cen. Patricia	2,300	1.90	1.90	1.85	1.85
1	.17	.03	Cen. Porcupine	57,100	.13	.17	.13	.14
1	.21	.08	Century Mining	8,250	.17	.18	.17	.17½
1	1.74	.41	Chesterville	26,378	1.68	1.69	1.52	1.56
No	.58	.15	Chromium	200	.18	.15½	.15½	.15½
1	1.04	.30	Cochenour Willans	21,825	.98	.98½	.89	.89
5	2.20	.50	Coast Copper	......	(1.05 bid	1.50 asked)		
5	1.70	1.25	Coniagas	......	(1.50 bid	1.75 asked)		
No	1.98	1.00	Coniaurum	1,400	1.55	1.52	1.50	1.52
5	49.00	28.50	Cons. Smelters	458	39.00	39.00	38.00	38.00

D, E

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	1.35	.50	Delnite	8,525	1.23	1.24	1.15	1.15
1	.08½	.02½	Denison Nickel	3,000	.03	.03½	.03	.03
No	29.50	16.00	Dome Mines	1,925	24.25	24.50	24.00	24.50
1	.04	.01½	Dorval Siscoe	......	(.02 bid	.03 asked)		
1	.16½	.02	Duquesne	103,600	.15½	.16½	.15	.15½
1	4.10	1.95	East Malartic	21,360	2.82	2.95	2.77	2.77
1	1.25	.20	Eldorado	3,100	.49	.47	.41	.41

F, G

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
No	5.05	1.70	Falconbridge	570	2.50	2.50	2.30	2.30
1	.06½	.01½	Federal	49,600	.05	.06	.04½	.05½
1	.07	.01	Fernland	167,300	.04½	.06½	.04½	.06
No	.70	.19	Francoeur Gold	12,700	.50½	.50	.48	.48
1	.10½	.03½	Gillies Lake	8,500	.04½	.04½	.03½	.04
1	.02½	.01	Glenora	......	(.01½ bid	.01½ asked)		
No	.69	.25	God's Lake	2,700	.37	.38	.36½	.37
1	.23	.08	Goldale	3,900	.16	.16	.15	.15½
50c.	.32	.20	Gold Belt	500	.32	.29	.29	.29
1	.26	.05	Gold Eagle	6,550	.10	.10	.09½	.10
1	.22	.07½	Golden Gate	11,900	.12½	.13	.11	.11½
1	.02½	.00½	Goodfish	1,000	.02	.01½	.01	.01½
1	.03½	.01	Graham Bosquet	......	(.01½ bid	.02 asked)		
No	.07	.02½	Grandora	......	(.06½ bid	.07 asked)		
1	.04	.02	Grull Wihksne	......	(.01½ bid	.04 asked)		
1	.64	.31	Gunnar Gold	2,300	.36½	.38	.36	.36

H, I, J

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	.03½	.00½	Halcrow Swayze	133,500	.02	.02½	.02	.02½
1	.03½	.00½	Halliwell Gold	......	(.01½ bid	.01½ asked)		
1	8.00	4.50	Hallnor	100	5.25	5.25	5.25	5.25
1	1.48	.54	Hard Rock	14,940	1.07	1.09	1.00	1.00
1	.10	.03	Harker	3,500	.06½	.06	.05	.06
1	.57	.30	Hedley Mascot	......	(.... bid	.... asked)		
5	15.00	9.50	Hollinger	2,980	13.12	13.12	12.75	12.87
1	.40½	.20	Howey Gold	10,400	.29½	.29½	.27	.27
No	34.00	19.50	Hudson Bay	1,324	26.50	26.50	25.00	25.25
1	.45	.13	Inspiration	7,400	.20	.25	.22	.22
1	*9.87	7.00	Inter. Mining	......	(.... bid	.... asked)		
No	47.00	27.50	Int. Nickel	4,725	36.50	36.75	35.25	35.25
50c.	1.09	.65	Island Mountain	......	(.71 bid	.86 asked)		
1	.05	.01	Jacola	......	(.02 bid	.... asked)		
1	.42	.17	Jack Waite	25,600	.22	.27	.22	.22½
1	.19	.01	Jellicoe	......	(.02½ bid	.03 asked)		
1	.04½	.00½	J. M. Cons. Gold	1,000	.01	.01½	.01½	.01½
1	.08½	.01½	Joliet Quebec	......	(.01½ bid	.01½ asked)		

K, L

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	4.10	1.20	Kerr Addison	12,560	3.80	3.80	3.50	3.50
1	.45	.20	Kerr Lake	......	(.20 bid	.39 asked)		
1	.07	.02	Kirk. Gold Rand	2,642	.02	.02	.02	.02
1	.32	.10	Kirk. Hud. Bay	1,000	.15	.20	.15	.20
1	1.54	.70	Kirkland Lake	7,165	1.03	1.02	.98	.99
1	.18	.06½	Kirk. Townsite	3,000	.08	.10	.08½	.10
1	32.00	15.25	Lake Shore	1,715	19.75	20.00	19.00	20.00
No	7.25	4.75	Lamaque Gold	138	5.00	5.15	4.85	4.85
1	.22½	.05	Lapa Cadillac	7,500	.11	.11	.09½	.10
1	.05½	.01	Lebel Oro	500	.02½	.02	.02	.02
1	.88	.41	Leitch Gold	6,825	.57	.57	.50	.50
No	3.40	1.71	Little Long Lac	5,265	2.03	2.05	1.99	1.99

M

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	4.80	2.23	Macassa	4,200	4.15	4.20	4.05	4.15
1	2.74	1.00	MacLeod Cockshutt	8,700	2.25	2.28	2.15	2.18
1	.70	.20	Madsen Red Lake	9,600	.60	.60	.56	.56
1	1.45	.54	Malartic Gold	16,850	1.12	1.17	1.10	1.11
No	.13½	.03	Mandy	1,200	.07	.09	.07	.09
No	.01½	.00½	Man. & Eastern	2,000	.00¾	.00¾	.00¾	.00¾
1	.04½	.00½	Maralgo	1,000	.01	.01	.01	.01
5	58.00	37.25	McIntyre	700	50.25	50.50	50.00	50.00
1	1.47	.85	McKenzie R. L.	10,575	1.30	1.32	1.18	1.18
1	.15½	.04	McVittie Graham	1,000	.08½	.07½	.07½	.07½
No	.58	.20	McWatters	8,800	.23	.23	.22	.23
5	.39	.39	Mentor Exploration	......	(.12 bid	.49 asked)		
No	1.33	.40	Mining Corp.	1,330	.76	.80	.70	.80
1	.05	.05	Moffatt Hall	......	(.... bid	.... asked)		
1	.93½	.36	Moneta	4,460	.53½	.54	.52	.54
1	.08	.02	Morris Kirk.	63,100	.04	.04	.03	.04
1	.03½	.01	Murphy	3,500	.03	.02½	.02	.02½

N, O

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	.37½	.12	Naybob	33,650	.30½	.31	.29	.30
No	.04½	.01	Newbec	1,000	.02	.02	.02	.02
1	.09½	.05	New Golden Rose	......	(.... bid	.06 asked)		
5	1.45	.75	Nipissing	250	1.18	1.16	1.10	1.10
No	78.75	42.75	Noranda	1,608	57.00	57.00	55.00	56.00
No	.62	.20	Nor. Canada	......	(.45 bid	.50 asked)		
1	.06½	.02	Norgold	1,500	.04½	.04	.04	.04
1	.62	.15	Normetals	1,830	.40	.40	.38	.38
1	9.85	6.25	Northern Empire	......	(5.00 bid	.... asked)		
1	1.82	.50	O'Brien	8,435	1.10	1.10	.94	.95
1	.34	.10	Omega	8,177	.15	.15	.13	.13
1	.10	.03½	Osisko	......	(.04 bid	.06 asked)		

P, Q, R

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
No	2.35	.78	Pamour	7,400	1.56	1.56	1.38	1.38
1	.10½	.02	Pandora	1,800	.08	.08	.07	.07½
1	.10	.02	Partanen Mal.	6,500	.04½	.04½	.04	.04
1	2.70	1.40	Pato Cons. G.	100	2.65	2.60	2.60	2.60
1	.02	.00½	Pawnee Kirk.	1,000	.00½	.01	.01	.01
1	.53	.20	Paymaster	18,700	.26½	.26	.24½	.24½
1	2.35	.99	Pend Oreille	2,700	1.98	2.10	1.76	1.80
1	2.12	1.01	Perron Gold	2,400	1.69	1.67	1.60	1.60
1	4.30	2.10	Pickle Crow	3,870	2.93	2.93	2.85	2.90
1	2.45	1.45	Pioneer Gold B.C.	950	2.20	2.25	2.20	2.20
1	14.50	9.00	Placer Devel.	15	9.25	9.50	9.00	9.00
1	2.18	.55	Powell Rouyn	4,100	1.00	1.00	.95	.95
1	1.42	.68	Premier Gold	3,900	.93	.95	.92	.95
1	3.75	1.30	Preston E. Dome	15,935	3.30	3.35	3.15	3.15
No	.35	.20	Prospectors Air's	......	(.... bid	.59 asked)		
1	.42	.20	Quebec Gold	......	(.25 bid	.... asked)		
No	.08	.01	Quemont	500	.04	.05	.05	.05
No	.08½	.01	Red Crest	53,400	.01½	.02	.02	.02
1	.26	.15	Reeves McDonald	......	(.15 bid	.... asked)		
1	.57	.10	Reno Gold	300	.12	.12	.12	.12
1	.00¾	.00½	Robb Montbray	......	(.00½ bid	.00¾ asked)		
1	.06½	.02	Roche Long Lac	6,400	.04½	.04½	.04½	.04½

S, T, U, V, W, Y

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	2.85	1.25	San Antonio	8,245	2.60	2.62	2.52	2.52
1	.15	.04½	Sand River	4,200	.07	.07½	.06½	.06½
1	.59	.10	Senator Rouyn	125,040	.51	.59	.51½	.52
1	.05½	.01	Shawkey	1,300	.03	.04	.01	.01
50c.	1.24	.75	Sheep Creek	1,900	.88	.85	.82	.82
1	1.18	.50	Sherritt Gordon	6,604	.85	.87	.81	.81
1	9.00	4.00	Sigma Mines	650	8.75	8.75	8.50	8.50
1	.95	.45	Siscoe	24,950	.54	.61	.55	.59
1	.61	.20	Sladen Malartic	8,700	.42	.42	.37	.38
1	.19	.02½	Slave Lake	140,150	.16½	.19	.16½	.17
1	.21	.07½	St. Anthony	23,150	.11½	.12	.11	.11
No	3.10	1.05	Steep Rock	53,100	1.52	1.78	1.53	1.60
No	.08½	.03	Straw Lake	11,100	.04	.04½	.04½	.04½
1	.21	.09	Sturgeon River	3,100	.19	.19	.18	.18
No	2.05	.80	Sudbury Basin	100	1.60	1.55	1.55	1.55
1	.08½	.03	Sudbury Contact	500	.05	.05	.05	.05
1	1.02	.45	Sullivan Cons.	2,600	.62	.63	.61	.62
1	3.45	1.90	Sylvanite	1,550	2.85	2.85	2.75	2.75
1	4.15	2.40	Teck Hughes	4,055	3.60	3.60	3.50	3.50
1	.08½	.02½	Temiskaming	2,000	.07½	.06½	.06½	.06½
1	1.90	1.00	Toburn Gold	1,500	1.61	1.80	1.70	1.71
1	.35	.09	Towagmac	1,700	.14	.13½	.13	.13
No	.50	.33	Trans. Resources	10,800	.43	.50	.45	.46
1	1.12	.25	Uchi Gold	3,800	.39	.38	.35	.37
	97.00	64.00	Do., Bonds	$100	82.00	82.00	82.00	82.00
1	2.41	.54	Upper Canada	37,435	2.14	2.16	1.92	1.96
No	4.35	1.75	Ventures	2,268	4.10	4.10	3.65	3.65
No	6.05	2.65	Waite Amulet	1,240	4.15	4.00	3.75	3.75
1	.30	.20	Wendigo	1,300	.24	.24	.23	.23
1	.03½	.01	Wiltsey Coughlan	......	(.01½ bid	.02½ asked)		
1	.32	.07½	Wood Cadillac	5,100	.09	.08½	.08	.08½
No	8.25	4.70	Wright-Hargreaves	2,619	7.00	7.00	6.75	6.80
No	.07½	.04	Ymir Girl	1,000	.06½	.07	.07	.07

Oil Stocks

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
No	.15	.02	Acme Gas & Oil	10,500	.10	.10	.09	.09½
1	.21	.05½	Alta. Pac. Cons.	500	.08½	.09	.09	.09
1	.22½	.10	Ajax	......	(.16 bid	.22 asked)		
No	1.03	.40	Anglo Canadian	42,750	.71	.81	.66	.75
No	.07	.05	Anaconda	......	(.06½ bid	.... asked)		
No	.18	.04	Br. Dominion	15,800	.07½	.12	.10	.10
No	.19½	.06½	Brown Oil	3,000	.08½	.09	.08½	.08½
92.50	75.00	65.00	Do., pref.	......	(.... bid	66.00 asked)		
No	2.39	1.00	Calgary & Ed.	3,500	1.45	1.48	1.36	1.38
1	.47	.18	Calmont	700	.24	.26	.24	.26
No	.33	.15	Commoil	2,500	.25	.26	.26	.26
No	.32	.15	Common Pete	1,000	.20½	.21	.21	.21
No	.55	.15	Dalhousie	1,025	.30	.40	.30	.30
No	.35	.10½	Davies Pete	5,400	.16	.16½	.14½	.14½
No	.08	.02	East Crest	2,000	.03½	.05	.04½	.05
No	.26	.15	Extension Oil	......	(.16½ bid	.16½ asked)		
No	.45	.27	Federated Pete	......	(.30 bid	.40 asked)		
25c.	.09	.04½	Firestone Pete	......	(.04½ bid	.05 asked)		
No	1.05	.30	Foothills	1,300	.80	.79	.70	.70
25c.	.11	.04	Foundation Pete	500	.05	.08	.08	.08
No	.18	.05	Hargal	......	(.... bid	.20 asked)		
No	.19½	.07	High Sarcee	500	.15	.15	.15	.15
No	3.10	1.30	Home	7,810	2.50	2.55	2.35	2.36
1	.07½	.01½	Homestead O. & G.	......	(.02 bid	.03 asked)		
No	.14½	.05	McD. Segur	2,000	.05½	.07½	.07½	.07½
1	.30	.16	Model	......	(.16 bid	.... asked)		
25c.	.09	.03	Monarch Royalties	......	(.04 bid	.06 asked)		
25c.	.21½	.04	National Petroleum	......	(.05 bid	.... asked)		
1	.07½	.02	Nordon	1,000	.03	.06	.04	.06
No	.04	.01½	Oil Selections	1,000	.02½	.02½	.02½	.02½
No	1.35	.60	Okalta	2,900	.75	.75	.70	.72
No	.07	.02½	Pacalta	13,600	.04	.04	.04	.04
1	.40	.20	Pacific Petroleum	......	(.23 bid	.... asked)		
1	.35	.25	Petrol Oil & Gas	......	(.30 bid	.50 asked)		
25c.	.12	.07½	Prairie Royalties	2,500	.08½	.08½	.08½	.08½
No	36.50	17.63	Royalite	135	21.00	21.50	20.00	20.00
No	.62½	.20	South West Pete	......	(.23 bid	.30 asked)		
No	.07½	.01½	South End	1,500	.02	.02	.02	.02
No	2.35	.90	Texas Can.	......	(1.05 bid	1.35 asked)		
No	.08½	.03	United Oils	......	(.04½ bid	.06 asked)		
1	.17½	.03	Vermilata	......	(.02½ bid	.04 asked)		
No	.60	.25	Vulcan	100	.35	.30	.30	.30
No	.04	.01½	West Flank	......	(.02 bid	.02½ asked)		

Vancouver Stocks

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	.14	.04	Big Missouri	1,000	.05	.05	.05	.05
No	11.25	7.55	Bralorne	840	10.40	10.40	10.10	10.20
1	.01½	.00¾	Bridge River Cons.	......	(.... bid	.01 asked)		
1	2.91	1.65	Cariboo Gold	6,105	2.70	2.91	2.50	2.90
No	.01½	.00½	Dentonia	2,000	.00½	.01	.01	.01
No	.02	.00½	Fairview Amal.	6,400	.01½	.01½	.01½	.01½
1	.28	.10	George Copper	......	(.... bid	.25 asked)		
1	.05	.02½	Golconda	......	(.03½ bid	.05 asked)		
50c.	.33	.15	Gold Belt	3,500	.32	.30	.29	.29
50c.	.20	.08	Grandview	3,500	.14	.14½	.14	.14½
1	.04½	.01½	Grull Wihksne	......	(.02½ bid	.02¾ asked)		
1	.60	.30	Hedley Mascot	2,000	.60	.58	.57	.58
No	.00¾	.00½	Home Gold	......	(.... bid	.00½ asked)		
1	.01	.00½	Indian Mines	......	(.01 bid	.... asked)		
50c.	1.10	.63	Island Mountain	......	(.75 bid	.86 asked)		
1	.40	.30	Inter'l Coal	......	(.... bid	.40 asked)		
50c.	.85	.23	Kootenay Belle	500	.24	.22	.22	.22
1	.25	.17	McGillivray Creek	2,200	.25	.25	.25	.25
No	.05½	.00½	Minto Mines	500	.01	.00½	.00½	.00½
50c.	.04½	.00½	Nicola	......	(.00½ bid	.00½ asked)		
1	.13	.07	Pacific Nickel	......	(.07 Oct. 28)			
1	2.35	1.05	Pend Oreille	200	1.80	2.00	1.90	1.90
1	2.50	1.45	Pioneer Gold	400	2.18	2.25	2.20	2.20
50c.	.02½	.01	Porter Idaho	1,000	.01	.01½	.01	.01½
No	.03½	.00½	Premier Border	69,050	.03½	.03½	.02½	.03
1	1.42	.72	Premier Gold	2,940	.93	.95	.90	.95
No	.94	.37	Privateer Mines	8,275	.60	.60	.58	.59
1	.03½	.01	Quatsino Copper	......	(.01½ bid	.03 asked)		
1	.14½	.02½	Relief Arlington	7,000	.03	.03	.03	.03
1	.30	.15	Reeves McDonald	1,600	.18	.20	.18	.18
1	.57	.09	Reno Gold	......	(.10½ bid	.13 asked)		
1	.06½	.04	Sally Mines	......	(.... bid	.... asked)		
50c.	.05½	.02	Salmon Gold	......	(.02½ bid	.04 asked)		
50c.	1.22	.75	Sheep Creek	700	.88	.88	.85	.85
1	1.31	.55	Silbak Premier	1,430	.78	.75	.68	.68
No	.02	.00½	Silvercrest	5,000	.00½	.00½	.00½	.00½
1	.05	.05	Sunloch	......	(.05 May 11)			
50c.	.11½	.05	Surf Inlet	......	(.10 bid	.... asked)		
No	.03	.02	Taylor Bridge	......	(.02 bid	.... asked)		
20c.	.01½	.00½	Wellington	......	(.00½ bid	.01 asked)		
50c.	.00¾	.00½	Wesko	......	(.... bid	.00½ asked)		
1	.04	.01	Whitewater	13,000	.01½	.02	.01	.01
No	.07½	.04	Ymir Yankee Girl	......	(.05 bid	.07 asked)		

Oil Quotations

Par Val.	Range 1940-41 High	Low	Company	Sales	Close Jan 13 (or last)	High for week	Low for week	Close Jan. 20
1	.22	.08	Alta. Pac. Cons.	386	.09½	.08½	.08	.08
1	.00½	.00½	Amalgamated	......	(.00½ bid	.00½ asked)		
No	1.02	.45	Anglo Canadian	15,700	.72	.83	.68	.77
No	.08½	.03	Anaconda	16,015	.04	.08½	.04	.08
No	.18½	.06	Brown Oil	......	(.10 Nov. 26)			
No	.13	.04	Brit. Dominion	......	(.09 bid	.... asked)		
No	2.33	1.00	Calgary & Ed.	1,096	1.44	1.50	1.40	1.40
1	.46	.18	Calmont	3,100	.25	.26	.24½	.26
No	.32	.17	Commoil	......	(.22½ bid	.... asked)		
1	.29	.16	Commonwealth	......	(.20½ bid	.... asked)		
No	.50	.20	Dalhousie	......	(.28 bid	.35 asked)		
No	.31	.13	Davies Pete	700	.16	.15½	.14	.14
No	.08	.02½	East Crest	......	(.04 Jan. 2)			
No	.26	.15	Extension	1,000	.16½	.17	.16½	.16½
No	.40	.30	Federated Petroleum	900	.36½	.35	.33	.35
25c.	.08½	.03	Firestone	......	(.... bid	.05½ asked)		
No	1.05	.38	Foothills	......	(.65 bid	.... asked)		
25c.	.10	.05	Foundation Pete	......	(.... bid	.... asked)		
No	.12	.08½	Four Star	......	(.... bid	.... asked)		
No	.17	.09	High Sarcee	500	.15	.15	.15	.15
No	3.10	1.31	Home Oil	3,060	2.52	2.52	2.35	2.39
No	.03	.01½	Madison	1,000	.02	.01½	.01½	.01½
No	.04½	.01½	Marjon Oil	4,000	.01½	.01½	.01½	.01½
No	.15	.05½	McD. Segur Ex.	2,500	.06	.07	.06	.06
No	.07½	.03	Mercury	......	(.04½ bid	.06 asked)		
No	.07½	.04	Mill City Pete	800	.04	.05	.04½	.04½
1	.31	.12	Model	2,600	.17	.19	.18	.18
25c.	.08½	.04	Monarch Royal	......	(.... bid	.05 asked)		
25c.	.21	.04½	National Pete	2,000	.05	.04½	.04½	.04½
1	.05	.04	Nordon	......	(.... bid	.... asked)		
No	1.31	.58	Okalta	1,000	.70	.72	.72	.72
No	.06½	.04	Pacalta Oil	......	(.04 bid	.... asked)		
1	.42	.19	Pacific Petroleum	260	.25	.26	.25	.25
25c.	.21½	.07½	Prairie Royal	......	(.07½ bid	.... asked)		
No	.19½	.08	Royal Canadian	18,950	.11	.15	.11½	.13½
No	.10½	.05	Royal Crest	......	(.07½ Sept. 25)			
No	36.00	17.50	Royalite	111	22.00	21.00	20.00	20.00
No	.07½	.03	South End	......	(.... bid	.... asked)		
No	.60	.21	Southwest Pete	......	(.25 bid	.... asked)		
1	.06	.02	Spooner	......	(.04½ bid	.... asked)		
25c.	.38	.11½	Sunset Oil	......	(.12 bid	.... asked)		
No	.09	.03½	United	2,500	.04½	.04½	.04½	.04½
No	.07	.03½	Vanalta	1,000	.05	.04½	.04½	.04½
1	.63	.23	Vulcan	......	(.30 bid	.40 asked)		
No	.05	.02	West Flank	......	(.02 Nov. 9)			

Winnipeg Stocks

(Transactions from Jan. 13 to Jan. 18)

	Sales	High for period	Low for period	Close Jan. 18
Burns, A	10	3.50	3.50	3.50
Crescent Creamery, pf.	50	10.00	10.00	10.00
Central Manitoba	1,000	.03¼	.03¼	.03¼
Great West Life	8	205.00	200.00	200.00
Flin Flon Gold	2,500	.01	.01	.01
Knee Lake	500	.01	.01	.01
Sachigo River	20	2.70	2.70	2.70
Sovereign Life	50	12.00	12.00	12.00
Western Breweries	1,000	1.75	1.75	1.75
Western Steel	74	9.50	9.50	9.50
Wingold	9,000	.09½	.08	.08½
Wings	300	.75	.50	.50

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Do., pref.	100¼	..
Can. Airways	1	..
Can. Indemnity	150	..
Dom. Envelope, c	8½	..
Do., pref.	..	100¾
Home Invest.	13	..
Nor. Can. Mtg. p.	5	..
Nor. Trusts	7	..
Traders Bldg.	43	..
United Grain	9	9½
West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Jan. 21	6,900	11,400	285,000	......
Jan. 20	8,400	6,800	243,000	24,000
Jan. 18	5,000	4,100	161,000	19,750
Jan. 17	7,000	3,000	390,000	57,107
Jan. 16	9,300	63,100	363,000	37,370
Jan. 15	7,400	8,500	407,000	38,780

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds Jan. 22, 1941				
1	Mar. '41	99¾	100¼	.10
5	Nov. '41	102¾	103¼	1.01
1½	May '42	100¼	100¾	1.00
2	June '42	100¾	101¼	1.00
3	Oct. '42	102¾	103¼	1.20
2½	June '43	102	102½	1.42
5	Oct. '43	108	108¾	1.73
2	June '44	100¼	101¼	1.62
a2½	Jan. '44	92¾	94¾	4.40
4½	Oct. '44	108½	109½	1.93
2½	Nov. '44	102	102¾	1.75
a2½	Aug. '45	91	92½‡	4.39
4	Oct. '45	105½	106	b1.75
4½	Feb. '46	109½	110½	2.35
3½	June '49	102½	103	b2.65
3½	Oct. '49	102¾	103½	b2.51
3½	Nov. '51	100¾	101½	b3.03
3½	Feb. '52	101½	102	b2.94
a5	May '52	99½	100¾	5.00
4	Oct. '52	105¾	106½	b2.94
3	Oct. '52	98½	99½	3.08
3	June '55	98½	99½	3.06
4½	Nov. '56	107¾	108½	b2.90
4½	Nov. '57	108½	109	b3.00
3	June '58	97¾	98½	3.11
4½	Nov. '58	108¾	109½	b3.12
4½	Nov. '59	109½	110½	b3.16
a4	Oct. '60	90¾	91¾‡	4.64
a3½	Jan. '61	81½	83¾	4.55
3½	June '66	100	100¾	b3.19
a3e	Jan. '67	79	80½‡	4.25
a3e	Nov. '68	79	80½‡	4.19
†3	Perpet'l.	89½	90	3.33
Dominion Guarant'd Bonds Can. Nat'l. Railways:				
2	Feb. '43	100¼	101¼	1.39
2½	Jan. '46	99¾	100¾	2.09
3	May '44	103	104	1.74
3	Dec. '50	98¾	99¾	3.03
3	Feb. '53	97¾	98¾	3.12
3	Jan. '59	97	98	3.15
*4½	Sept. '51	114½	115½	2.81
*4½	Feb. '56	115	116	3.15
4½	July '57	115½	116½	3.20
*4¾	June '55	117½	118½	3.17
5	Feb. '54	117½	118½	3.26
*5e	July '69	114½	115½	b1.74
*5e	Oct. '69	119	120½	b2.87
*5e	Feb. '70	119	120	b2.94
Grand Trunk Pacific Rly.:				
*3	Jan. '62	98½	99½	3.05
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	89	91	4.02
3½	Aug. '49	92	93½	4.16
3½	June '56	92½	94	4.02
c4	Nov. '47	98	100	4.00
c4½	Apr. '61	100	101½	4.39
c5	Jan. '60	104½	106	4.53
Nova Scotia:				
3	Jan. '52	94	95½	3.50
3½	June '56	95	96	3.59
3½	Nov. '50	98½	99½	3.56
c4½	Sept. '52	106	107	b3.32
c4½	Nov. '60	108	111	3.72
c5	Mar. '60	113	116	3.83
Ontario:				
2½	May '45	100	101	2.26
3	Apr. '48	98¾	99¾	3.04
3	Nov. '50	98	99	3.12
3½	Nov. '51	99¾	100¾	b3.15
3½	May '55	99½	100½	b3.22
*4	June '62	108	110	3.34
4	June '50	108½	109¾	3.29
*4½	Jan. '62	114½	116½	3.39
5	Oct. '48	111½	112½	3.17
*5	Dec. '60	120	123	3.41
5½	July '46	111¾	112¾	2.97
Ont. Hydro Commission:				
3	Aug. '48	98¾	99¾	b3.04
3½	Feb. '53	99¾	100¾	b3.15
3½	Apr. '47	101¾	102¾	3.01
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	94¾	95¾	3.71
3½	Mar. '48	96	97	3.73
3½	Mar. '59	93½	95½	3.88
3½	Feb. '55	97	98	3.93
4	Mar. '52	99½	100½	3.97
4½	Aug. '58	101½	103	4.01
4½	Jan. '63	105	107	4.03
Alberta:				
4	Dec. '54	53	59	d
4½	Oct. '51	63	..	d
c4½	Oct. '56	55	61	d
*5	Oct. '59	59	65	d
c5½	Apr. '52	62	68	d
6	Mar. '47	66	72	d
British Columbia:				
c4	Dec. '57	97½	101½	3.88
*4½	Jan. '51	100½	104½	3.95
c4½	Oct. '53	100½	104½	4.05
c5	Apr. '54	104½	108½	4.17
5½	Feb. '45	102½	106½	3.74
6	Feb. '47	104	108	4.47
Manitoba:				
c4	Dec. '57	88	92	4.80
c4½	Dec. '56	90	94	5.05
*5	Dec. '59	95½	99½	5.04
5½	Oct. '55	95½	99½	5.35
6	Apr. '47	98½	102½	5.52
Saskatchewan:				
4	Sept. '54	68	73	7.07
4	Nov. '60	67	72	6.53
c4½	Oct. '51	83	87	6.12
c4½	Mar. '60	75	80	6.30
5	Aug. '58	80	85	6.44
5½	Oct. '52	83	88	7.00
6	Mar. '52	85	90	7.30

*Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds.

Unlisted Stocks

Jan. 21, 1941

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

	Bid	Ask.
Industrials:		
Acme Farm. D.	37	42½
Andian National	27	29
Anglo C. Tel., A	8½	8½
Atlas Steel	17	21
Barrymore, pfd.	27	..
Blue T. Brew. A	8½	..
B. C. Pulp, c.	17	18½
Do., pfd.	69	72
B. C. Sugar	75	78
B. C. Tel., 1st p	110	115
Burns & Co., A	2½	4
Do., B	1	2½
Can. Col. Air.	3	3½
Can. Co-op. Wl.	6½	8
C. I. L., A c.	210	220
Can. Ing. Rand	76	81
Can. Mot. L.A.B.	2½	..
Can. Tube, 1st p	85	..
Chase, A. W., p.	18	20
Claude Neon, p.	3	6
Colonial Steam.	17	20
Dom. Manuf., p.	61	65
Dunlop T. p. $25	24	25
Easy Wash. p. $10	10	11
Goderich Elev.	7¾	8½
Guard. Realty, p.	16	18
Guelph Carp., p	105	..
Do., com.	22	..
Gurney Fdry., p	1½	1¾
Hayes Steel, c.	9½	11
Hi'land Dairy, p	49	56
Homewood San.	106	120
Ingram & Bell	23½	27
Kingston Ship.	..	5
Do., pref.	..	23
Loblaw Inc., c.	12	13½
Minn. O. Pap.	4	5
M'row Screw, p.	100	..
Do., com.	10	..
Morrison Br. un.	4½	6
Neilson, Wm., c.	9½	..
Do., pfd.	100	..
N. B. Tel., c.	11	13
N. Meth. Ldy., p	52½	58
Niag. L. A. Br.	50	55
Ont. Tobacco, p.	15	17
Pac. C. Term., c.	9	11
Paterson, Wm. p	102½	..
Prov. Paper, pfd	105	107
Ruddy, E. L., p.	21	25
Seal O Sac (Can.)	1	2½
Stand. Fuel, p.	60	65
Stedman, pf. $50	56	59
Tor. Carpet, c.	37	..
Do., pfd.	60	..
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	22½	24
Viceroy Mfg., p.	24½	25½
Do., com.	11½	13½
Trusts & Loan Stocks:		
Brit. Mtge.	120	130
Capital Tr.	27	32
Com. Fin., c.	2½	3
Grey & B. Tr. $50	43	46
Guaranty Trust	98	102
Guelph & O. $50	51	54
London & West.	..	35
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	10½	12
Do., A pfd.	90	95
Trusts & Gr., new	50	53
Victoria Trust	70	80
Insurance Stocks:		
Canada Life	385	398
Brit. Amer.	50	55
Canadian Fire	78½	..
Confed. 30% pd.	135	145
Continental L.	35	..
Crown, fully pd.	252	265
Dominion Fire	135	..
D. of Can. Gen.	115	130
Empire 25% pd.	5½	6½
Excelsior 38% pd.	70	..
Federal 25% pd.	51	55
Great-West Life	200	215
Halifax Fire	17½	18½
Imperial Life	285	299
Manufac. Life	232½	242½
Monarch Life	32	..
Sov. L. 25% pd.	12	15
Sun Life	332	355
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	41	44
Theatre Stocks:		
Allen's King., p.	60	65
Do., London p	51	56
Do. St. Cath. p	51½	55
Do., Tor., p.	31	35
Mansf. Theat., p	28	30
Para. Kitch., p.	50	55
Do., Oshawa, c	9	11½
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec. pf.	60	..
Sec's. Hold., pf.	19½	21
United Corp., A	20	21
Do., B	4¾	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104½
Gt. Lakes Pr., p	101	103½
Int. Util., $1.75	16½	..
Do., $3.50 p.	41	..
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	71	80

Unlisted Mines

Toronto, Jan. 21, 1941

	Bid	Ask
Acordia	.20	.24
Addington	.00½	.01½
Albany River (Old)	.09	.11
(New)	.24	.27
Amal Kirk	.09½	.10½
Anoki	.02½	.03½
Aquarius	.28	.31
Arjon	.03½	.04½
Armistice	.07	.08½
Argosy	.07½	.08½
Area	.04	.05
Arno	..	.01½
Athona (Old)	.02½	.03
(New)	.03½	.04½
Barb Lard	.01¾	.02½
Bilmac	.02½	.03½
Bonetal	.53	.57
Brock	.38	.40
Buf Bear	..	.04
Calder Bo	.02	.03
Central M	.02½	.03½
Cheminis	.03¾	.04½
Coin Lake	.04	.04½
Cons Chib	.06	..
Crescent	.01	.01½
Dayton	.02	.02½
Demp Cad	.00¾	.01½
Desants n	.25	.27
Dona Pat	.02	.02½
E Lacoma	.00½	.01
Elmos	.08	.10
Franco	.23	.28
Galore	.02	.03
Gan Cop	.16	.18
Gate Pat	..	.01
Gilbec	.01	.02
Gord Leb	.00¾	.01½
Hoyle n	.34	.36
Hugh PaP	.09	.11
Hutch Lke	.01	.01½
Jason M	.46	.49
Keora	.01½	.02½
Kenricia	.01½	.02
Kewagama	.01½	.02½
Kiena	.05	.06
Kirk Gate	.01	.02
Lacoma	.00¾	.01½
Lake Duf	.23	.25
Lake Gen	.03	.06
Lardego	.00¾	.01½
Lw Pete	.20	.23
Laguerre	.23	.25
Magnet C	.88	.93
Magnet L	.20	..
Magwell	.03	.03½
Manik'u	7.00	7.50
Martin Br	.03½	.04½
Margaret	.08	.10
Mata Cana	.04½	.05½
Mata Con	.17	.19
Mof Hal n	.03	.04
Monarch	.01½	.02½
Mooshla	.02	.03
Mosher	.06	.07
McGregor	.02	.03
Nat Mal	.42	.45
Negus	1.02	1.07
New Aug	.37	.39
New Roy	.00½	.01½
Nickel O	1.05	1.20
Norbeau	.25	.30
Norlake	.01	.02
Northland (1940)	.08½	.11
Norwin	.03	.06
Oklend	.08	.09½
O'Leary	.01¾	.02½
Opemiska	.03	.05
Oriole	.00½	.01
Orpit	.03½	.03¾
Ossian	.00½	.01½
Pascalis	.32	.35
Pontiac R (Old)	.05	.07
Pelangio	.02	.03
Phoenix	.03½	.04½
Polaris	.10	.12
Propri'y	2.75	2.90
Presdor	.05½	.05¾
Queb Man	.05½	.07
Rahn Lke	.01	.02
Rand Mal	.08	.10
Red Lake	.01¾	.02½
Sachigo	2.75	3.00
Senore	.13	.18
Shenango	.02½	.03½
Sheldon	.05	.06
Siscoe Ex	.01½	.02½
Skynner	.05	.06
Smelters G	.01½	.02
Spooner	..	.03
Sunbeam	.03	.05
Springer	.22½	.25
Stadacona	.04	.06
Thomson	.17	.19
Thomp Cd	.02½	.04½
Treaty P	.10	.13
Union Min	.04½	.05½
Wasu	.04	.06
West Red	.03½	.05
Woco	.03	.04
Y David'n	.24	.26

Montreal, January 21, 1941

	Bid	Ask
Cad Exp	.01½	.02½
Chibmac	..	.02
C. Pand'ra	.01½	.03
Cournor	.18	.20
Dubisson	.15	.17
L Rowan	.04½	.05½
Obalski	.01½	.03
Pan Can	.05	.07
Scott Ch	.02	.03
Westwd C	.02½	.04

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Jan. 21, 1941

Public Utility Issues:	Int. Rate %	Due	Bid	Asked Jan. 21	Bid Jan. 14
‡Alg. Cen. H.B.R.	5	'59	6½	9½	6½
‡Assoc. Tel & T.	5½	'55	75	78	74½
B. C. Power	4½	'60	99½	102½	99½
B. C. Tel.	4½	'61	107	...	106½
†Calgary Pwr.	5	'60	106½	...	106
Do.	5	'64	102½	...	102
†Can. Nor. Pwr.	5	'53	103	106	104
*Dom. Gas & El.	6½	'45	103	106	102½
Gatineau Pwr.	5	'49	101½	104½	102
*Do., A	3¾	'69	97½	100¼	98
Do., B	3¾	'69	97½	100¼	98
Gt. Lakes Pwr.	4½	'56	98½	101½	99½
Do.	5	'57	95	98	95½
*Int. Hydro-E.	6	'44	63½	66½	66
▲Inter. Power	6	'55	100½	103½	100½
L. St. Law Pwr.	5	'55	98	101	98½
Macl'n-Que. Pr.	4	'59	97½	100¼	98
Mtl. L. H. & P.	3½	'56	101½	104½	101½
Do.	3½	'73	99	102	99½
Do.	3½	'63	100	103	100
†Mtl. Tramways	5	'41	93½	96½	93
†Do.	5	'55	60	63	61½
Nat. Lt. & Pwr.	6	'49	99½	102½	99½
N. S. Lt. Pr.	4	'57	101	104	100½
Ottawa H. & P.	4	'57	101½	104½	101½
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4½	'59	97	100	96½
Quebec Pwr.	4	'62	100½	103½	101
*Saguenay P., A	4¼	'66	109½	112½	109
♦Do., B	4½	'66	106	...	106
St. Maurice Pr.	4½	'70	101	104	101
Shaw W. & Pr.	4	'61	101½	104½	101½
Do.	3½	'46	101	104	101
Do.	4	'69	101	104	101
Union Gas	4½	'50	102	105	102
Twin C. R. Tr.	5½	'52	67½	70½	67
†United Secs.	5½	'52	...	...	60
‡Wpg. El., ser. A	5	'65	69	72	71
Do., B	5	'65	48	51	49½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	66½	69½	69
†Do., C.O.D.	5	'53	62½	65½	65
Acadia Sugar	4½	'55	101½	104½	101
Do.	6	'54	98	101	98½
†Alta. Pa. Grain.	6	'46	97½	100½	98
Algoma Steel	5	'48	101½	104½	102
Atlantic Sugar	4	'51	100	103	100
†B. C. P. & Pap.	6	'50	89½	92½	90
‡Do.	7	'50	112	118	117½
*Brown Co.	5½	'46	48½	51½	49½
Burns & Co.	5	'58	53	56	56
Canada Bread	6	'41	100½	103½	100½
Canada Cement	4½	'51	103	106	103½
Canada Electric	4½	'65	95½	98½	96
Can. Paper	4½	'52	101	104	100½
Can. Steamship	5	'57	97	100	97
Can. Canners	4	'51	100½	103½	100½
*Can. Int. Paper	6	'49	101½	104½	101½
‡Can. Locomotive	6	'53	88	91	90
‡†Candn. Vickers	6	'47	57½	60½	58½
C. P. R.	3½	'51	87½	90½	88½
Do.	4	'49	93	96	93
Do.	4½	'44	97½	100¼	98
Do.	6	'42	103	106	103
Col. Steamships	6	'54	96½	99½	96
†Consol. Paper	5½	'61	65½	68½	67½
Dom. Coal	4½	'52	101½	104½	100½
Dom. Scott. Inv.	5	'52	94½	97½	93½
Dom. Stl. & Co.	6½	'55	108	111	108
Dom. Tar	4½	'51	100½	103½	101
Dom. Woollens	6	'53	94½	97½	95
†Donnacona P.	4½	'56	74½	77½	75
‡Dufferin Pav.	5½	'55	50½	...	54
East. Dairies	6	'49	82	85	81½
Famous Players	4½	'51	100	103	100½
†Federal Grain	6	'49	97	100	98
†Fraser Cos.	6	'50	98½	101½	98½
Galt Brass	3	'50	78	...	77½
Gen. Stl. Wares	4½	'52	98	101	98½
*Great L. Paper	5	'55	92½	95½	93
*Gurney Fdry.	5½	'49	67½	70½	68
†Gypsum, Lime	5½	'48	97	100	98
Ham. By-Pr., C	5	'55	102	105	102
Do.	6	'56	100	103	99½
Ham. Cotton	4½	'50	100	...	100½
Inter-City Bak.	4½	'48	101	...	100½
Indust. Accept.	4	'52	85	88	85½
*Inter. P., Nfld.	5	'68	92	...	91½
Inv. Bond & Sh.	5	'47	32	35	31½
*Kingston Elev.	6	'50	105	108	104½
Lake St. J. P.	5½	'61	89½	92½	90½
Do.	5	'61	67½	70½	67½
Legare	6	'61	86	89	86
Maple Leaf M.	5	'58	74	77	74
[illegible] Sugar	3	'60	97½	100½	97½
Massey-Harris	4½	'54	92½	95½	93½
Mc-Coll-Fron.	4½	'49	100½	103½	101
Do.	6	'49	99	...	101

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co. Toronto

Jan. 21, 1941

Miscellaneous:	Bid $	Asked Jan. 21 $	Bid Jan. 14 $
Adirondack F. & Steel com.	10.00	...	10½
Blue Top Brew. "B"	6.00	6.85	6.00
Can. Tube & St. com.	3.50	4.50	4.00
Can. West Lumber	.35	.65	.30
Cap. W'cloth com.	5.75	8.50	5.50
Do. pref.	18.00	21.00	18.50
Collingwood Term. units	.75	1.25	.85
Corp. Inv. "A"	5.80	6.30	5.85
Corr. P'box com.	.65	1.00	.80
Dover Ind.	7.50	8.50	7.50
East. Bake. pf.	28.00	32.00	29.00
East. Steel Prods. pref.	20.25	21.50	20.00
Hart Battery com.	6.25	7.25	6.00
Imp. Varnish com.	8.25	10.00	8.00
Ind. Accept. pf.	80.00	84.00	81.50
Inv. Found. units	43.00	45.50	42.50
Loew's Lon. pf.	2.75	3.25	2.75
Mid. Loan & Sav.	14.00	15.00	13.50
Moirs 6% pf.	19.25	22.00	19.00
Mt. Royal new c.	2.25	3.50	2.25
Do. old pref.	4.10	5.00	4.00
Murphy Paint un.	99.00	101.00	99.25
N. Amer. Elev. pref.	52.00	...	51.50
Premier Trust	63.00	66.00	62.00
Prov. Bank	103.50	105.50	103.00
Traders Fin. rts.	14.00	15.00	14.00
Trusts & Guar. old	25.50	26.50	25.25
Waterloo Mfg. n.	1.10	1.65	1.15
Waterloo Trust	101.00	103.50	100.50
West Can. Hydro pref.	11.25	12.25	11.00

Municipal Bonds

Jan. 21, 1941

†Halifax	5	1961	111.00	115.00	3.99
Hamilton	5	1950	111.55	113.55	3.38
Montreal	5	1945	97.00	100.00	5.00
Ottawa	4½	1945	106.00	108.00	2.60
†Quebec	5	1959	106.00	109.00	4.29
Saint John	5	1950	102.00	105.00	4.38
†Toronto	4½	1955	112.00	114.60	3.29
†Vancouver	5	1950	99.00	102.00	4.72
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.60	2.85
Can. Amer. Trust	3.15	3.45
Can. Invest. Fund	3.25	3.65
Grouped Income	...	5.20
Trans-Canada	10.35	11.30

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid	Asked Jan. 21	Bid Jan. 14
McCormick's	4	'52	96	99	96½
Do.	4½	'52	103	...	103
Mercury Mills	6	'59	92	95	91
Mersey Paper	5	'57	97½	100½	..
*M. & O. Paper	6	'45	52	55	55
Moirs Ltd.	6	'53	79	...	79½
‡Mtrl. Drydocks	5	'48	40	43	40
Nat. Grocers	4	'47	100½	...	100½
N. S. Stl. & Co.	3¾	'63	85	88	85
Price Bros.	5	'57	95½	98½	96
Do.	4	'57	83	86	83½
*Prov. Paper	5½	'47	105	...	105
Reliance Grain	4½	'52	94½	97½	94
†Restigouche Co.	6	'48	98½	101½	98
Rolland Paper	4½	'51	102	105	102
Ruddy, E. L.	6½	'48	101	104	101½
Silv. Dairies	6	'66	95½	98½	95½
Simpsons Ltd.	4½	'51	100	103	100½
Smith, Howard	4½	'51	103	106	103½
Stand. Lime	6	'44	97	...	97
Sterling Coal	6	'45	96	...	96½
Stop & Shop	3	'47	61½	64½	61
United Corp.	5	'53	92	95	91½
*United Gas	5½	'48	104	...	104
United Gr. Grs.	5	'49	97	100	97½
†Western Grain	6	'49	48	51	49

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
°Payable in U.S. only.
♦Payable in Canada only.
‡Traded without accrued interest.

Annual Meetings

Jan. 27—Candn. Car & Fdry. Co. .. Montreal
Jan. 27—Canada Vinegars .... Toronto
Jan. 28—National Trust .... Toronto
Jan. 29—Proprietary Mines .... Toronto
Jan. 30—Can. Permanent Mtge. .... Toronto
Jan. 31—Federal Kirkland .... Toronto
Jan. 31—United Distillers .... Vancouver
Jan. 31—Western Life Assur. ...... Hamilton
Feb. 4—Commercial Life Assur. ... Toronto
Feb. 4—Federal Fire Insurance .. Toronto
Feb. 4—Midland Loan & Sav. .... Port Hope
Feb. 5—Belding-Corticelli .... Montreal
Feb. 5—Casualty Co. of Can. ..... Toronto
Feb. 5—Dom. of Can. Gen. Ins. .. Toronto
Feb. 5—Toronto Mortgage Co. .... Toronto
Feb. 6—London-Can. Insur. ...... Toronto
Feb. 6—Mutual Life Assce. ...... Waterloo

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, p.	$1.37½	Feb. 1	Jan. 15
Ang. Can. Tele., p.	.68¾c	Feb. 1	Jan. 15
Agnew Surpass, c.	40c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Aluminium pf.	†$1.50	Mar. 1	Feb. 8
Do., com.	$2	Mar. 5	Feb. 12
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
B. C. Telep. 2nd p.	$1.50	Feb. 1	Jan. 17
Bank of Montreal	$2	Mar. 1	Jan. 31
Blue Ribbon, pf.	62½c	Feb. 1	Jan. 27
Can. Bronze	37½c	Feb. 1	Jan. 20
Do., interim	50c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Can. Converters	50c	Jan. 31	Jan. 10
Can. Cel., Inc Fd. rts.	$1	Mar. 15	Dec. 31
Can. Pac. Rly., pref.	2%	Feb. 1	Jan. 1
Calgary Power, p.	$1.50	Feb. 1	Jan. 15
Can. Nor. Power	▪25c	Jan. 25	Dec. 31
Can. South. Rly.	$1.50	Feb. 1	Dec. 27
Can. Bk. of Com.	$2	Feb. 1	Dec. 31
Coniagas Mines	12½c	Feb. 1	Jan. 20
Coast Brew.	3c	Feb. 1	Jan. 15
Can. Inv. Fund	4c	Feb. 1	Jan. 15
Can. Investors	10c	Feb. 1	Jan. 18
Canadian Oil, c.	12½c	Feb. 15	Feb. 1
Do., extra	12½c	Feb. 15	Feb. 1
Commoil	1c	Feb. 25	Feb. 14
Commonw'th Intl.	4c	Feb. 15	Jan. 15
Conduits Nat.	25c	Feb. 1	Jan. 24
Distillers Seag., pf.	†$1.25	Feb. 1	Jan. 17
Dom. Bridge	30c	Feb. 25	Jan. 31
Dom. Oilcloth	30c	Jan. 31	Jan. 15
Do., extra	10c	Jan. 31	Jan. 15
Dom. Tar & Ch. p	$1.37½	Feb. 1	Jan. 16
Dominion Bank	$2.50	Feb. 1	Jan. 20
Eastern Steel, c.	15c	Feb. 1	Jan. 15
Federated Pete.	1c	Feb. 20	Feb. 8
Frontier Rylts.	1c	Jan. 31	Jan. 20
Farmers' Tele.	63c	Jan. 31	Dec. 31
Gurd, Chas., pfd.	$1.75	Feb. 15	Feb. 1
Hedley Mascot	2c	Feb. 15	Jan. 24
Hollinger Cons.	5c	Jan. 28	Jan. 14
Humberstone Shoe	25c	Feb. 1	Jan. 15
Hyd. Elec. Sec., B p.	25c	Feb. 1	Jan. 15
Inter. Nickel, pf.	†$1.75	Feb. 1	Jan. 2
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Metal, pf.	$1.50	Feb. 1	Jan. 15
Do., pref., A	$1.50	Feb. 1	Jan. 15
Inter. Util., pf.	†87½c	Feb. 1	Jan. 20
Kerr Addison G.	5c	Feb. 28	Feb. 12
Leitch Gold	2c	Feb. 15	Jan. 31
Melchers Dist., pf.	*30c	Apr. 15	Apr. 5
McIntyre Porc.	55½c	Mar. 1	Feb. 1
Mtl. L., H. & Pr.	38c	Jan. 31	Dec. 31
Naybob Gold	1c	Apr. 15	Apr. 1
Nor. Ont. Pwr.	12c	Jan. 25	Dec. 31
Do., pref.	$1.50	Jan. 25	Dec. 31
Privateer Mine	3c	Feb. 10	Jan. 25
Do., extra	1c	Feb. 10	Jan. 25
Penmans	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Power Corp.	15c	Feb. 1	Dec. 31
Prairie Rylts.	1c	Jan. 31	Jan. 20
Rolland Paper	15c	Feb. 15	Feb. 5
Do., pref.	$1.50	Mar. 1	Feb. 15
Quebec Power	25c	Feb. 25	Jan. 25
Royal Trust	80c	Jan. 31	Jan. 31
Royal Bank	$2	Mar. 1	Jan. 31
Saguenay Pr., p.	$1.37½	Feb. 1	Jan. 24
South. Can. Pr.	20c	Feb. 15	Jan. 31
Silbak Premier	4c	Jan. 25	Jan. 3
Shawinigan W.	23c	Feb. 25	Jan. 25
Sherbrooke Trust	$1.50	Feb. 1	Jan. 15
Simpsons, pref.	$1.62½	Feb. 1	Jan. 25
Siscoe Gold	2½c	Mar. 15	Feb. 15
Stand. Chemical	50c	Jan. 31	Dec. 31
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
St. Law. Flour	25c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Toburn Gold	3c	Feb. 22	Jan. 22
Do., extra	2c	Feb. 22	Jan. 22
United Corp., A	38c	Feb. 15	Jan. 31
Walker-Good.	$1	Mar. 15	Feb. 14
Do., pref.	25c	Mar. 15	Feb. 14
Weston, Geo., pf.	$1.25	Feb. 1	Jan. 15
Wood, A. & J., p.	$1.75	Feb. 1	Jan. 14
Zellers, pref.	.37½	Feb. 1	Jan. 15

†Payable in U. S. funds.
▪Subject to approval by Foreign Exchange Control Board.
*Arrears eliminated after giving effect to this payment.

Mining Dividends

	Rate	Close Jan. 20	Yield %
Anglo-Huronian	‡10c	2.60	..
Beattie Gold	16c+2c	1.17	*15.4
Bralorne	80c+40c	10.25	*11.7
Broulan Porc.	‡6c	.98	..
Buffalo Ankerite	‡31c	4.50	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.55	..
Cariboo Gold	16c+8c	2.75	*8.7
Central Patricia	16c+7c	1.85	*12.4
Chesterville	†5c	1.56	..
Cochenour Willans	†3c	.89	..
Coniagas	‡25c	1.55	..
Coniaurum	16c+2c	1.52	*11.8
Cons. Smelters	$1+$1.25	38.00	*5.9
Delnite	‡6c	1.15	5.2
Dome Mines	$2	24.50	8.2
East Malartic	‡30c	2.77	10.8
Francoeur Gold	†3c	.48	..
God's Lake	‡2½c	.37	..
Goldale	‡2c	.15½	..
Gold Belt	‡4c	.29	..
Gunnar Gold	‡6c	.36	..
Hallnor	60c	5.25	11.4
Hard Rock	‡10c	1.00	..
Hedley Mascot	‡8c	.56	..
Hollinger	65c+45c	12.87	*8.5
Howey Gold	‡5c	.27	..
Hudson Bay	‡$2	25.25	7.9
Inter. Nickel, com.	$2	35.25	5.7
Island Mountain	‡15c	.80	..
Kerr Addison	‡15c	3.50	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	.99	*12.1
Kootenay Belle	‡12c	.22	..
Lamaque Gold	40c+10c	4.85	*10.3
Lake Shore	$2	20.00	10
Leitch	8c	.54	14.8
Little Long Lac	30c	1.99	15.0
Macassa	32c+3c	4.15	*8.4
Madsen R. Lake	‡6c	.56	..
McGillivray Coal	3c+1c	.25	..
McKenzie Red L.	§12c	1.18	10.2
McWatters	10c	.23	..
Moneta	‡12c	.54	..
McIntyre Porc.	$2.05½+1▪	50.00	*6
MacLeod-Cockshutt	‡20c	2.18	9.1
Naybob Gold	4c	.30	..
Nipissing	15c	1.10	..
Noranda	$4	56.00	7.2
North Empire	‡50c	6.25	..
O'Brien Gold	‡50c	.95	..
Pamour Porc.	12c	1.38	8.7
Pato Cons.	20c	2.60	..
Paymaster	†1c	.24¾	..
Perron Gold	16c+4c	1.60	*12.5
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.90	13.8
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.95	12.7
Preston E. Dome	20c+5c	3.15	*7.9
Privateer Mine	‡16c+2c	.59	..
Powell Rouyn	‡10c	.95	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.03	..
San Antonio	14c+6c	2.52	*7.9
Sheep Creek	16c+3c	.82	*20.7
Sherritt Gordon	‡10c	.81	..
Sigma Mines	‡45c	8.50	..
Silbak Premier	16c	.68	23.5
Siscoe	‡11½c	.59	..
Sturgeon River	‡2c	.18	..
Sudbury Basin	‡2½c	1.55	..
Sullivan Cons.	‡9c	.62	..
Surf Inlet	‡1½c	.11½	..
Sylvanite Gold	20c+10c	2.75	*10.9
Teck-Hughes	40c+5c	3.50	*12.8
Toburn	8c+12c	1.71	*11.6
Upper Canada	‡6c	1.96	..
Ventures	15c	3.65	..
Waite Amulet	‡10c	3.75	..
Wendigo	†3c	.23	..
Wright-Harg.	‡40c+30c	6.80	*10.3

*Yield including bonus. †Initial.
‡Paid in 1940.
▪An extra dividend of $1.11 paid Jan. 2, 1941.
§Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

DIVIDEND NOTICES

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 4.

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on February 28th, 1941, to shareholders of record at the close of business on February 12th, 1941.

By Order of the Board.
G. A. CAVIN,
Secretary-Treasurer.
Toronto, Ontario.
January 18th, 1941.

Work on Funds For Steep Rock

Progress Continues on Raising Large Sum Required for Programme

Progress is being made in present financing negotiations being undertaken by Steep Rock Iron Mines, The Financial Post is informed. As the sum required to open the iron deposits from surface — the present plan — is a large one, considerable time is required to work out the details.

Originally it had been planned to mine the high-grade hematite ore disclosed at Steep Rock by mining from a shaft which was put down for this purpose. After considerable water trouble was encountered underground, however, it was decided that the more feasible plan would be to drain at least parts of Steep Rock Lake to make way for steam shovel mining from surface.

Besides draining the lake, it may be desirable to move a large hydro-electric plant. With several points still to be settled and a number of people to be considered, it is taking time to complete financing negotiations.

The management believes that the large expenditure entailed in the development of open pit mining is fully justified by disclosures of ore, even if it runs into millions as has been unofficially suggested. It is pointed out that on the tonnage of ore indicated by drilling, the cost of open pit mining would be very small on a per ton basis.

While present negotiations are proceeding, the company has been carrying out some diamond drilling with holes penetrating the hard iron ore of both the Mosher and main ore bodies.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 214

NOTICE is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Saturday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1941.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, Que., January 14, 1941.

The Dominion Bank

Dividend No. 233

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st January, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of February, 1941, to shareholders of record of the 20th January, 1941.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 12th December, 1940.

The Bank of Toronto

Dividend No. 238

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of March next, to shareholders of record on February 15th, 1941.

By Order of the Board.
F. H. MARSH,
General Manager.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND No. 91

Notice is hereby given that a dividend of fifty-five and one-half cents (55½c) per share in Canadian currency will be paid on March 1, 1941, to shareholders of record at the close of business February 1, 1941.

Shareholders resident in the United States of America may convert from Canadian to U. S. funds in the same manner as outlined in our circular letter to shareholders dated October 2, 1940.

By Order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, January 14, 1941.

SIMPSONS, LIMITED

Preference Dividend No. 40

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable on February 1, 1941 to shareholders of record at the close of business on January 25, 1941. The transfer books will not be closed.

Frank Hay,
Secretary
Toronto, January 17, 1941

Wellington Building Corporation Limited

(United Bond Company Limited Loan W-71)

To the Holders of $425,000.00 First Mortgage Gold Bonds of Wellington Building Corporation Limited

TAKE NOTICE that under and by virtue of an order made by the Supreme Court of Ontario, payment in Canadian Funds of six months' interest to January 5th, 1936, together with interest thereon to February 3rd, 1941, at the rate of six and one-half percentum per annum, will be made by the undersigned on and after February 3rd, 1941, upon presentation of the Bonds for endorsement of interest thereon.

Dated this 23rd day of January, 1941.
THE LONDON AND WESTERN TRUSTS COMPANY LIMITED
Receiver and Manager
200 Bay Street Toronto

Sladen Profits Rise Sharply

Operating Earnings in 1940 Over $260,000 as Against $111,614

With value of bullion production showing a substantial increase through a greater tonnage of ore milled, operating profits realized by Sladen Malartic Gold Mines recorded an increase to $267,559 as compared with $111,614 in the previous year when the company experienced a net loss of $38,591 after all charges.

Production in 1940 totalled $864,461 from 236,868 tons of ore for an average recovery of $3.65 a ton. In 1939, $663,664 had been recovered from 183,429 tons of ore with recovery averaging $3.62 a ton.

Working capital position of the company showed a progressive improvement during 1940. At the end of 1939 there had been an excess of current liabilities over current assets amounting to $40,337. By the end of 1940, however, this had been changed to a net working capital position of $114,748.

During the last quarter of 1940 the so-called telluride zone was explored on both the 725- and 500-ft. levels. On the 725-ft. level a length of 260 ft. was opened up averaging $8 across 15 ft. On the 500-ft. level the ore length was 175 ft. averaging $3.39 a ton across 20 ft. All values are at $35 gold.

Extension of the National Malartic ore zone on the 725-ft. level was undertaken and a length of 105 ft. has been outlined averaging $10.25 uncut over drift width with the full width not determined.

While the production in the last quarter did not come up to expectations, the ore position is believed by the management to be better than at any previous stage in the history of the mine.

Profit For Powell In Last Quarter

Drifting South on 1,250 and 1,400-ft. Levels Shows New Ore

An operating profit of $62,756 was realized by Powell Rouyn Gold Mines in the three months ended Dec. 31, 1940, as against an operating loss of $4,456 in the preceding quarter when the company's new mill was being placed in operation.

Production the last quarter amounted to $308,681, with 33,341 tons handled at the Noranda smelter and 40,284 tons by the company's own mill. Total receipts were $310,005 and operating costs $247,249. Revenue the previous quarter was $198,286, with 48,472 tons of ore treated.

Build Ore Reserves

Considering possible difficulties in the future of obtaining certain operating supplies, the company's reserve of broken ore is being built up somewhat beyond present requirements. During the last quarter broken reserves were increased from 88,828 tons to 104,206 tons.

Mining during the quarter was confined to low grade areas above the 800-ft. level and to the 500 F stope. Within the next month, however, mining from higher grade stopes below the 800-ft. level is expected.

During the last quarter drifting south opened 113 ft. of ore at the 1,250-ft. level averaging 0.128 oz. per ton across an average width of 10 ft. 5 inches. Drifting south at the 1,400-ft. level gave 310 ft. of ore running 0.16 oz. over 9.3 ft. Drifting is to be continued on both these levels. Drifting south on the 1,550-ft. level will also be resumed with a view to enlarging the favorable areas of the levels immediately above.

Sinking of a vertical two-compartment shaft on the South Powell vein has been completed to 185 ft. where a crosscut has been driven to the vein. Drifting is to be carried north and south.

Dome Earnings Hold in 1940

Estimated Profit Equals $2.10 a Share Against $2.11 Previous Year

Estimated net profit of $4,088,633 was realized by Dome Mines in 1940 as compared with $4,109,911 in 1939, the company's preliminary earnings statement for last year reveals. Figures in each case are before depreciation, depletion and adjustment of surplus and contingent accounts.

Based on the profit reported above, earnings were equal to $2.10 a share in 1940 as compared with $2.11 for 1939.

Production Rises

Production of $7,933,786 in 1940 was obtained from milling 621,600 tons of ore for an average recovery of $12.76 a ton. During 1939 the company recovered $7,462,379 from 615,000 tons of ore with recovery averaging some what lower at $12.13 a ton.

Taxes in 1940 at $1,562,663 were not quite double the $804,013 figure reported for the previous year. Operating expenses were practically unchanged from 1939 while the amount expended on outside exploration showed a decline.

Foreign exchange paid in 1940 totalled $195,722 against $125,192 in 1939. This item of expense is expected to be eliminated this year with dividend distributions now being made in Canadian funds.

Public Utility Earnings

Southern Canada Power December:	1940 $	1939 $
Gross earnings	248,845	220,143
Operating exps.	66,063	62,545
Taxes	59,686	30,131
Net earnings	123,096	127,467
Int., deprec. amort. & divds.	120,981	118,633
Surplus	2,115	8,834
Three Mos. end. Dec. 31:		
Gross earnings	741,800	662,913
Operating exps.	212,537	195,483
Taxes	172,397	92,942
Net earnings	356,866	374,488
Int., deprec. amort. & divds.	346,788	342,402
Surplus	10,078	32,086

Acreage Cut Wheat Crop Is Opposed

Scant Chance of Curbing Present Area — Debate 1941 Policy

From Our Own Correspondent

WINNIPEG. — Members of the Canadian Wheat Board have conveyed to the Minister of Trade and Commerce recommendations of the Board's advisory committee as to wheat policy for 1941. No public intimation has been given by the advisory committee of its conclusions.

There is general belief, however, that these can hardly contain a recommendation for any compulsory reduction of wheat acreage to be seeded by farmers. This is because of the known attitude of opposition to such measures known to exist among farmers, and among farmers' organizations represented on the committee. Equally it is presumed that the necessity will be apparent of recognizing limitations on the ability of the elevator system of the country to accommodate and of the Wheat Board to accept delivery of all the wheat that may be produced during the next crop year. Consequently it is expected that farmers will be notified in advance of the method of allocating deliveries among farmers, so seeding plans may be made with such limitations in mind.

No Universal Approval

It is not to be expected that whatever plan of allocation is decided upon will meet with universal approval. Any plan of rationing deliveries which is adopted will seem to give rise to inequities, and individual farmers will be able to show that some other plan might have been fairer in their circumstances.

There is probably general agreement that delivery quotas in 1941-42 should not be based on acreage seeded to wheat in the coming spring, and that farmers should be so advised in advance in order that there may be no incentive to unnecessarily large wheat acreage. But agreement stops there. Establishing a delivery quota for each farmer on the basis of his wheat acreage for 1940 has some advocates, especially in view of the simplicity of such an arrangement. But in areas where crop production has been good for a number of years farmers are inclined to think that such a record entitles them to a proportionately larger share of wheat deliveries for the new crop year. Farmers in areas which were badly hit during the drought years would consider such a plan grossly unfair.

Conflict of Opinion

There are advocates of making delivery quotas uniform for all farms of a certain size, regardless of past production or past use of land. There are advocates also, of special discrimination in favor of small farms, and against large farms. Some planners would establish definite quotas for each farm, to be maintained no matter what they occur in the way of enlarging outlets for wheat, or in the way of crop failures in large or small areas. Others would leave all matters of detail to be settled when it is apparent how much wheat is likely to be produced, and what the probabilities are for sale or for elevator space.

Less is heard than might be expected, so far as reports from the country are concerned, of demands for increase in the Wheat Board guaranteed price to offset the probable limitations on deliveries by farmers. But it seems to be agreed that such requests are likely to be numerous and strong once it is apparent that farmers will be unable to dispose of a crop of normal size during the new crop year.

Commodities

Rising Prices Meet Check

A downward trend in the security markets and nervousness over the international situation have caused the moderate advance previously under way in commodities to flatten out.

Uncertainty regarding the fate of the lease-loan bill in the United States was an unsettling factor in all markets. While passage of the bill is expected, the markets as usual in times of uncertainty were nervous. Once the bill is through it is expected to result in better demand for all kinds of materials. Government controls, however, are expected to prevent any runaway movement in prices.

In the industrial group, rubber eased slightly in spite of the announcement of a 2½% ad valorem export duty on rubber shipped through Singapore. As rubber has been easier recently, owing to the reduction in demand following the closing of the European markets, the effect of the duty may possibly be to steady the market rather than cause an advance.

Cattle prices were strong owing to good export demand from the United States. Hogs also were stronger being affected by an advancing market there. Consumption of meat in both Canada and United States is increasing.

	Latest week	Previous week	Same week last yr.
Cattle	$10.00	$9.60	$7.90
Hogs	11.10	10.90	12.25
Copper, lb.	.12	.12	.12½
Cotton, lb.	.1059	.1059	.1144
Rubber, lb.	.1962	.2020	.1910
Silk, lb.	2.56	2.56	3.73
Sugar, raw, lb.	.0292	.0295	.0290
Wheat, Man. (bu.)	.74	.74½	.83
Coffee, lb.	.05¼	.05¼	.05¾
Hides	13½	.13½	.14
Weekly Indices			
Canada (D.B.S.)	84.3	84.3	82.2
Do., Wood, Gundy	67.1	67.4	68.5
U. S. Labor	80.2	80.2	79.5
Dow Jones (future)	56.98	57.34	61.23
Fishers'	86.1	85.8	85.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)*	108.0	107.8	103.8
W'sale (Nov.)	84.0	83.3	80.4
U. S. (Sept.)	78.0	77.4	79.1

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 = 100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Week in Wheat

Final Crop Estimates Show Wide Variations

Run From 484 Millions to 535 — Visible Continues to Grow Slowly as Deliveries Restricted and Domestic Sales Substantial

From Our Own Correspondent

WINNIPEG.—Some surprise was occasioned when the Dominion Government crop estimate this week reported a crop of 525 million bushels for western Canada in 1940. This was an increase of five million bushels over the previous Government estimate.

It will be recalled that the Northwest Line Elevators Association issued an estimate of 535 million bushels after threshing, which operation was completed only a short time ago. The Searle Grain Company, after a careful tabulation, came to the conclusion that the western wheat crop last year was only 484 million bushels.

These discrepancies illustrate the difficulties of establishing accurately the size of any crop. When there is a big harvest, as was the case in 1940, under any estimate the margin of error is proportionately increased.

The Canadian wheat visible statistics continue to fall just short of reaching 500 million bushels. Similarly, wheat deliveries by farmers from the last crop have almost, although not quite, reached 300 million bushels. The latter figure will probably be passed this week, but the visible, due to disappearances in domestic milling and overseas export, is growing only slowly at present.

Quotas Increased

The Canadian Wheat Board continues to increase quotas for deliveries wherever there is unused space in country elevators. At first in allocating quotas the principle was followed of keeping quotas small enough to make sure that all farmers at a point would be able to deliver minimum allowances. With the first rush over, it was found that a certain number of farmers were willing to delay deliveries in order to take advantage of payments allowed by the Wheat Board for farm storage. In such cases elevator space is not reserved for their use, but is made available to those farmers who wish to make immediate deliveries. While the basic quota at all points is 12 bushels per seeded acre, it has been increased at a very large number of points to 15 bushels, and at a limited number of points to 20 bushels per acre.

• • •

Sales to Spain

News of the sale of Canadian wheat to Spain is important. Evidently the transaction is being kept strictly between the governments of Great Britain and Spain. When negotiations were first announced emphasis was placed on the probability of Argentine wheat being supplied. Later there were suggestions that United States wheat might be involved through grants of American credits to Spain.

Great Britain is to supply the wheat direct, out of stocks of Canadian wheat which have already passed under control of the British Government. Payment will be made, it is understood, by the export of Spanish goods, including considerable quantities of oranges, direct to Great Britain. If Spain's full needs for wheat were to be satisfied, the movement which has been inaugurated by the shipment of some Canadian wheat from Baltimore could easily become decidedly large. In the present scarcity of shipping it is not likely that any great amount of cargo space can be made available for such shipments.

• • •

Damage in Storage

Some wheat in western elevators has been found to be contaminated by two distinct species of beetles. This is in addition to infestation by mites, previously discovered in a considerable number of elevators. Such discoveries are not to be taken as indicating that any extensive volume of damage is to be feared. They rather go to prove the care which is everywhere being exercised to watch over the condition of grain in elevators, to make sure that damage is not allowed to become serious.

Neither mites nor the beetles so far discovered are likely to attack sound grain, on which they are not equipped to feed. But they can attack grain that is broken or otherwise injured, and they can feed either on dust in the grain or on hairy appendages. Damage is not so much from grain they are likely to consume as from moisture engendered in their life processes, which may result in grain becoming excessively moist and endangering its keeping processes. Ordinary handling of grain, such as occurs when it is loaded into railway cars or into terminal elevators is the best preventive, as mites and insects are killed by the rubbing of kernels against each other, and moisture is dissipated so as to remove the danger. When any trace of damage is discovered in stored grain the first effort is to get it shipped forward to terminal elevators. If that proves to be impracticable, as may be the case with the present congested condition of terminals, resort must be had to handling grain within the elevator.

Wheat, Flour Exports Up

Two things are noticeable from final figures just published regarding Canada's exports of wheat and wheat flour last year.

For wheat itself the figures for the calendar year 1940 show that dollar value is substantially above the previous two years although physical volume is lower than 1939 while still above 1938. Average export price for wheat last year was 85.9 cents a bushel, well above either 1939 or 1938 but also considerably below 1937's $1.296.

December Down

December itself showed a heavy drop in both dollar value and bushels exported as compared with the corresponding months of the three previous years. Whether or not this indicates a change in trend can hardly be forecast from one month's figures. Comparative figures for wheat exports follow:

Wheat Exports

Dec.	Quantity Bushels	Value $	Aver. export price $
1937	6,636,261	8,155,138	1.229
1938	15,982,526	9,047,598	0.504
1939	34,412,448	26,041,163	0.757
1940	11,762,411	9,318,057	0.792
12 mos. ended Dec.			
1937	96,008,341	124,439,579	1.296
1938	114,178,301	89,393,814	0.783
1939	162,904,586	109,050,542	0.669
1940	139,169,671	119,530,365	0.859

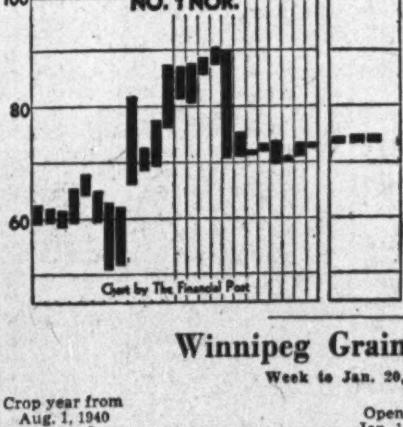
In wheat flour the cumulative figures for last year's exports are well above the three preceding years in both dollar value and physical volume. The higher dollar value is due to heavier volume as the average price was lower than in either 1938 or 1937, although above 1939.

December showed the same tendency toward reduced exports in flour that was evident in wheat although the average price was above the two preceding years.

Wheat Flour Exports

Dec.	Quantity barrels	Value $	Aver. export price $
1937	337,678	1,966,283	5.823
1938	365,085	1,157,946	3.172
1939	902,714	3,040,213	3.368
1940	345,611	1,216,613	3.520
12 mos. ended Dec.			
1937	4,087,011	23,872,495	5.841
1938	3,911,886	17,637,743	4.509
1939	5,342,172	16,378,301	3.066
1940	6,970,902	26,351,695	3.780

Wheat Prices



Cash Quotations

	For Week Jan. 20 High	For Week Jan. 20 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 hard	.74½	.74	.74½	.73⅞
1 Nor.	.74⅛	.74	.74½	.73⅞
2 Nor.	.72⅛	.71½	.72¼	.71⅝
3 Nor.	.69	.68⅜	.69⅛	.68½
4 Nor.	.66⅝	.65⅝	.66¾	.66¼
5 Wheat	.65	.64	.64¾	.63¾
6 Wheat	.64	.62⅝	.62¾	.62¼
Feed	.62	.60⅝	.60¼	.60¼
Oats:				
2 C. W.	.34⅛	.33⅝	.33⅝	.33
3 C. W.	.32⅜	.31⅞	.31⅞	.31¼
Barley:				
1 Feed	.43⅛	.42⅜	.42½	.41⅜
2 Feed	.42⅝	.41⅞	.42	.40⅞
Flax:				
1 C. W.	1.56⅞	1.48⅞	1.49¾	1.45¼
2 C. W.	1.53⅜	1.44⅞	1.46½	1.41¼
Rye:				
2 C. W.	.47¼	.46½	.47½	.47

Winnipeg Grain Futures

Week to Jan. 20, 1941

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Jan. 14	High for week	Low for week	Close Jan. 20	Close year ago
		Wheat					
.78¾	.71⅝	May	.77⅝	.77⅝	.77	.77	.86¾
.80½	.77½	July	.79¼	.79¼	.78⅝	.78⅝	.87⅞
		Oats					
.35⅝	.26⅝	May	.35	.35⅜	.34⅞	.34⅞	.41⅛
.33½	.29½	July	.33⅜	.33½	.33¼	.33¼	.39⅛
.32	.31½	Oct.	.31⅝	.31¾	.31½	.31⅛	.36½
		Barley					
.46⅞	.33⅝	May	.45¼	.45⅜	.44⅞	.45⅛	.53¼
.44⅞	.39⅞	July	.43¼	.43⅞	.43	.43⅛	.51½
		Flax					
1.63¼	1.16	May	1.51⅝	1.63¼	1.50½	1.59½	1.98
1.61½	1.29½	July	1.51	1.61½	1.51	1.58	1.95
1.56	1.48¼	Oct.	1.50⅛	1.56	1.50⅛	1.56	1.90⅛
		Rye					
.52	.44¼	May	.50	.50⅛	.49	.49¼	.79¼
.51⅝	.49⅛	July	.50⅝	.50⅝	.49⅝	.49⅝	.77⅝

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Fleury-Bissell Ltd. Position Unchanged

Position of Fleury-Bissell Ltd. has shown little change since the end of the last year, Oct. 31, 1940, according to a statement made by the president to the recent annual meeting. Suggestion was made that the problem confronting the company was one of increasing plant efficiency and lowering costs rather than increasing sales.

The president stated that closing of the Aurora plant and concentrating of production at Elora should help and it is hoped results of greater efficiency will be shown in the current year's report.

Vacancy on the board of directors caused by the death of Ross McKinnon was not filled and it is understood there are no immediate plans to do so.

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Week in Mining

Mines Conference Urges Taxes Re-examination

Meeting of Mines' Ministers Suggests That Tax Committees Be Set Up to Review Present Taxation Under Three Separate Headings

Conference of Dominion and provincial ministers of mines at Ottawa Jan. 13-17 resulted in the passing of a number of recommendations which it is hoped will result in the stimulation of mining—the primary objective of the conference. Recommendations altogether covered six points: taxation, blue-sky laws, government aid in training prospectors, topographical and geological mapping, technological services, mining transportation, and publicity.

The recommendations on taxation were the highlight of the conference. In this connection federal and provincial committees to re-examine tax legislation and its effects are proposed. It is recommended that these proposed committees consider in particular exemption from taxation of money spent on prospecting under the Dominion and provincial income tax acts, the continuance of the three-year exemption of new mines under Section 89, and the establishment of the excess profits tax "as an excess profits tax, and not as a super tax on the mining industry other than gold mining."

Want Public Protected

In connection with "blue-sky" laws, it was the opinion of the meeting that purchasers of public securities must be protected from fraudulent promoters and that it is necessary to see that money received from sale of stock goes into mine development. It recommended that commissioners and registrars of the various provincial commissions should meet at least once a year to discuss ways and means of reconciling public interests with those of the prospectors.

As far as government aid to prospectors was concerned, it was decided that government grubstaking was not desirable and that any government assistance to prospectors should take some other form. Training and guidance of prospectors was deemed advisable if prospecting can be made sufficiently attractive. Training of miners as a war effort was also recommended.

* * *

Mapping Seen Worth While

With geological and topographical maps important to prospectors and to mine development, the conference recommended that work in this connection be increased by both the Dominion and provincial governments immediately; that the Federal and provincial departments responsible for this work be provided with funds to carry on a long-term programme of continuous mapping.

In this connection, it is suggested that the practice of aerial photography for mapping purposes by the R.C.A.F. be resumed as soon as possible.

The conference also went on record that technological services of the Federal and provincial departments of mines should be maintained "at standards commensurate with the needs of the mining industry."

* * *

Look to Publicity

Further work on mine roads was another recommendation of the conference. This should not be a relief measure but should be undertaken as a direct aid and stimulation to prospecting and mining activity, it was felt.

Increased publicity was considered as one way in which greater interest in prospecting could be developed. To assist this, it was recommended that the Dominion Government furnish the provinces summaries of all Federal legislation affecting mining, particularly taxation.

* * *

New Attempt Successful

Recent drilling at LaGuerre Gold Mines serves once more to illustrate the whims of mining fortune. About a year ago a large programme of diamond drilling was carried out on the LaGuerre property in Larder Lake in an ambitious attempt to prove a large tonnage of ore following a find at surface. Drilling results did not measure up to expectations and steps were started to wind up the company.

In spite of disappointing results, however, W. H. Emens, the company's consulting geologist, thought that another test was warranted. A small appropriation for further drilling was secured. As a result of this, an ore zone has been outlined for a length of 300 ft. averaging $7 per ton across an average width of 25 ft. The zone is known to extend to at least 400 ft. depth.

* * *

Yellowknife Output Up

Activity in the Yellowknife area increased in 1940 with gold production totalling $2,112,456 compared with $1,801,375 in 1939. With Thompson-Lundmark and Giant Yellowknife installing mills in the current year, it appears that 1941 will record an even further output increase. Slave Lake Gold Mines—a little to the south—will also be turning out gold, tungsten and tin this year. Ptarmigan Mines may reach a mill decision too.

Yellowknife, with a population of 1,300, had its first year of municipal government in 1940. The settlement now boasts a bank, post office, two churches, a new school and five general stores. There are also three restaurants, a cabaret, two drugstores and an oil agency with storage capacity for 100,000 gallons of gasoline and oil. Perhaps the most impressive building is the 32-room hotel.

* * *

B. C. Mines in Spotlight

Two of British Columbia's most important gold producers had good news for their shareholders this month.

Bralorne announced an all-time record in production, valued at more than $100,000 over the previous year's.

Cariboo Gold Quartz was able to give additional data on its strike in the "B.C." vein which President W. B. Burnett said might justify the construction of a larger mill if developments proceeded as expected. The present mill has a capacity of 375 tons.

* * *

Value of Bralorne's 1940 production was $3,899,396 on the basis of $38.50 gold. Development results on the low levels are described as encouraging, with a connection established between the Crown and Empire shafts.

In reporting on the Cariboo Gold strike, R. R. Rose, managing director, reported encountering a four foot width of solid quartz on the left wall of the crosscut with average gold content of 3 ounces gold; a five foot width on the right wall with average gold content of .6 ounce.

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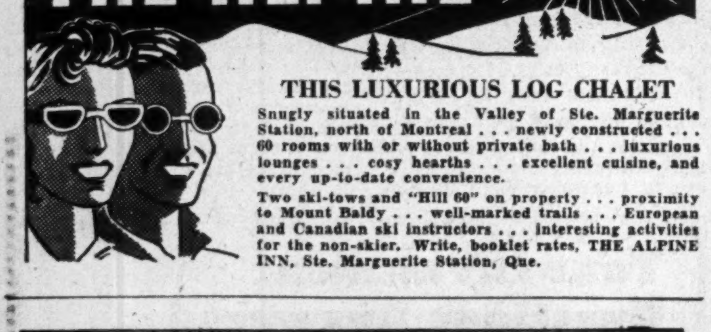

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Zincton Dickers On Concentrates

From Our Own Correspondent

VANCOUVER. — Negotiations are under way between management of Zincton Mines, formerly known as Lucky Jim Lead & Zinc Company, and representatives of American smelting interests for handling the concentrates from the British Columbia mine.

The mine and mill are ready to go into production at short notice. Henry Doelle, managing director of Sheep Creek Gold Mines, which recently took over the Lucky Jim property and reorganized the company, is in charge of negotiations. The Lucky Jim mill is of flotation type and equipped to mill about 200 tons of ore daily.

Kerr-Addison In Ore West

Operating Profit Drops in Last Quarter as Mill Heads Back to Normal

While most ore developed in the past year at Kerr-Addison Gold Mines has been located in the section east of the shaft, work the last quarter of 1940 disclosed ore west of the shaft where the company's original ore was opened up.

At the 300-ft. level stoping in the No. 9 ore zone has now indicated 1,800 tons of ore per vertical foot, double the tonnage previously estimated. On the 1,000-ft. level west, where no ore had previously been opened up, drilling has outlined a zone 225 ft. long grading 0.16 oz. over an average width of 12.9 ft.

Production $852,142

Production and operating profits in the last quarter of 1940 were sharply lower as mill feed returned to normal after two unusually high quarters. Production amounted to $852,142 from 112,701 tons of ore for an average of $7.56 a ton against $1,020,854 from 111,790 tons and average recovery of $9.13 a ton the third quarter.

Operating profit in the fourth quarter amounted to $447,604 compared with $680,276 in the third quarter and $587,257 in the second quarter of the year.

On the 1,300-ft. level, No. 21 ore body has been extended to a length of 1,085 ft. averaging 0.21 oz. across 46.1 ft. This works out at 4,545 tons per vertical foot. No. 16 ore body at the same level has an indicated length of 660 ft. averaging 0.21 oz. across 25.08 ft. Its area represents 1,500 tons per vertical foot.

Ore Found in Drilling

A drill hole through No. 15 ore body at this horizon returned 25 ft. of ore running 0.25 oz. per ton. The same hole cut No. 19 ore body with 10 ft. of ore averaging 0.34 oz. per ton.

At the 1,000-ft. level, drifting on No. 16 ore body developed a length of 312 ft. averaging 0.33 oz. over 11.5 ft. A drill hole through No. 15 and No. 19 ore bodies gave intersections of 18 ft. running 0.37 oz. and 6.5 ft. running 0.26 oz.

Deliveries of mill equipment for the No. 3 mill unit have been very slow and consequently the 600-ton increase in milling capacity will not be effective until late in January. Owing to delayed delivery, the new 10 ft. Nordberg hoist will not go into commission until March.

Sinking the main No. 3 shaft another 10 levels has been authorized and this work will be under way in the second quarter of the year.

McIntyre Profit Off Last Quarter

Lower Production, Higher Costs Chief Reasons For Decrease

Earnings of McIntyre Porcupine Mines for the three months ended Dec. 31, 1940, amounted to $911,197 equal to $1.14 a share compared with $982,894 or $1.23 a share in the immediately preceding three months.

Earnings for the nine months ended Dec. 31, 1940, at $3.59 a share, however, still show an increase of 23 cents a share over the corresponding period of 1939.

Production Down

Production in the three months ended Dec. 31, 1940, showed a slight decline from the previous quarter amounting to $2,494,315 as against $2,542,971 and $2,551,925 in the June quarter. Costs, including development, in the December quarter at $1,154,971 were somewhat higher, comparing with $1,121,280 in the September quarter and $1,143,788 in the June quarter.

Output for the nine months Dec. 31, 1940 at $7,589,211 shows a considerable increase over the $6,749,114 for the corresponding period of 1939.

Taxes have shown a considerable increase in 1940 over the level in 1939, being more than double. In the nine months ended Dec. 31, 1940, $1,157,971 is allowed for taxes as against $511,817 in the same period of the preceding year.

Aluminium Ltd. to Pay $2 on Common Stock

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. has declared a dividend of $2 a share in Canadian funds on the common stock, payable March 5, to shareholders of record date Feb. 12. Dividends of $8 a share were paid on the common stock in 1940, comprised of four regular quarterly payments of $1.50 a share and a payment at the end of the year of $2.

The $2 payment on March 5 will mark an increase in the previous quarterly payments of 50 cents a share. If this rate of payment were maintained during the entire year, total would equal $8, the same paid in the past year.

The regular quarterly dividend on the preferred of $1.50 a share in U. S. funds was declared, payable March 1 to shareholders of record date Feb. 8.

Week in Oils

See Steveville Spurring Big New Developments

New Field Termed by R. E. Allen "The Greatest Stimulus and Encouragement for Alberta Oil Since the Discovery of Turner Valley"

From Our Own Correspondent

CALGARY.—Following loosening and opening of the oil bearing strata at the Madison lime, Standard of B. C.'s Princess No. 2 well by gunshot bullets and acid treatment, the well has been rated with a flush oil flow of 521 bbls. per day and a natural gas yield of about 12.75 million cu. ft. daily.

Figures after acid treatment announced by Standard Oil last week end were hailed by the Alberta oil industry as definitely proving up a new important and possibly major oil field on the Alberta plains 125 miles east of Calgary. Typical of the comment was that of Robert E. Allen, chairman of the Oil and Gas Conservation Board. Declared Allen:

"The new field provides the greatest stimulus and encouragement for Alberta oil since the discovery of Turner Valley. Production of such magnitude and a field of such indicated size will undoubtedly affect the petroleum economy of the entire prairie area."

Affects Wide Area

The strike in the Princess-Steveville area greatly improves the prospects for major oil discovery in the vast Sweetgrass arch area, extending from the oil fields of northern Montana across the broad plains of Alberta as far north as the promising Vermilion oil and gas area, and as far west as the potentially great oil-bearing foothills. A considerable expansion of the development programme, both on the plains and in the foothills with the probable discoevry of additional fields, is now generally expected.

Oil men consider that the proving of Steveville and other Alberta fields is of favorable import to Turner Valley operators and investors. Proving of new fields will permit market extensions which could not be justified by Turner Valley alone, and ensure a healthy, continuous expansion of the Alberta oil-producing industry. Striking of heavier gravity crude at shallower depths than in Turner Valley in no way detracts from the very favorable profit-making outlook of the big foothills field, and should not adversely affect the heavy development programme, now at an all-time peak, in this area.

* * *

Princess Crude Heavier

The Princess crude oil is a heavier crude than that of Turner Valley, with a gravity of between 26.5 and 27.5 degrees API compared with 39.0 to 65.0 degrees in the foothills field. The Princess oil is a sweet, black crude which will give 40 to 50% gasoline recovery when broken down in a modern cracking plant, compared with a gasoline recovery of 70 to 80% from Turner Valley oil. The Princess oil has a particular value, however, because of the large residue of fuel oil suitable for heating purposes or road oil, left after the extraction of gasoline and other light by-products.

The "discovery" well has now been temporarily shut in pending arrangements for marketing. Oil will be shipped by rail from the Princess railway siding on the Canadian Pacific Railway, less than a mile from the well.

Standard Oil of B. C. is now busy selecting a new well-site and will get drilling of the new venture under way in the immediate future.

Other large Princess-Steveville lease holders, notably Anglo Canadian Oil and Petroleum Investments Ltd. (joint lease-owners), the Dawson Steveville Syndicate, Royal Canadian Oil Co. and Anaconda Oils Ltd., are understood to be drafting plans for early drilling in the newly proved field.

* * *

Good Vermilion Well

The Steveville strike was not the only important Alberta oil news this week. Reliable sources have advised The Financial Post that the Western Battleview No. 1 well in the Vermilion field, placed on production during December, has pumped as much as 125 bbls. in a single day, and is considered capable of pumping steadily at around 100 bbls. per day. The well thus rates as the best of those yet placed on production at Vermilion, and provides an important addition to the producing Alberta wells.

The oil, coming from the lower cretaceous sand at 1,859 ft., contains considerable water in emulsion (estimated 15%), which can be easily removed by heating. Oil production of 675 bbls. was reported for December, and the well is now being pumped intermittently, it is reported, to supply two 286 barrel carloads weekly to the North Star Oil Co. refinery at Winnipeg.

* * *

Field Allowable Raised

Turner Valley allowable oil output rose again to 25,000 bbls. daily last week, and is now expected to remain steady at this level for the balance of the winter and spring months—bringing oil output for the first half of 1941 at least 40% higher than in the same period of record-holding 1940.

The boost came on Jan. 17, when Dominion Oil Controller G. R. Cottrelle instructed the Alberta Oil Conservation Board to boost output from 22,000 to 25,000 bbls. per day as a "war emergency measure."

The extra production will go to meet the demands of Prairie refiners, who last October placed nominations with the Oil Controller calling for deliveries of between 25,000 and 26,000 bbls. per day until Oct. 31, 1941. Decision to meet the demand was made after producers advised the Oil Controller that they were prepared to meet the increased call for Valley oil efficiently.

Metals Controller Stresses Leadership and Sacrifice

Speaking twice in Toronto last week—to the Association of Professional Engineers of Ontario on Saturday and to the Toronto Branch of the Canadian Institute of Mining and Metallurgy on the previous night—Canada's metals controller, George C. Bateman, reviewed the present position of the Canadian mining industry and his duties as metals controller.

At the engineers' meeting Mr. Bateman voiced a call for engineers to take a greater part in direction of the nation's affairs. Engineers were seen too prone to trust others for the direction of both municipal and national affairs. After the war is over, he added, the best brains will be required; problems must be approached scientifically and critically. The engineer is seen possessing special qualifications for dealing with problems that may arise. Human as well as material values must be considered, he said.

"Must Do Without"

At the Institute of Mining and Metallurgy meeting Mr. Bateman stressed the need for greater sacrifice. So far we have not begun to realize what sacrifice really means, he said. "We must learn to do without things which cost foreign exchange."

Gold production is perhaps the greatest single contribution being made to the war effort, Mr. Bateman informed the two associations. Now we can refine our own base metal which means a great assistance to the war effort, it was stated with a total of 900,000 tons of refined metal being turned out a year. New mine development is viewed as of first importance as metal mines are being exhausted more rapidly than new ore resources are being placed in sight.

From the United Kingdom point of view, the contracts for base metals are providing a saving of $35 millions a year with a billion pounds of metal being shipped a year abroad under contract, Mr. Bateman pointed out. Even at present higher metal prices, these metals could not be secured in the United States if a supply were not available in Canada. Zinc is being supplied at much less than the cost would be in the United States.

Minor Metals Important

Certain minor metals are of first importance in Canada's war effort. Manganese is an essential in the making of steel. There are no deposits of metallurgical grade in Canada. Imports are now coming from South Africa and are paid for in sterling.

Chrome ore which used to come from Turkey is now being imported from South Africa. Fairly substantial deposits have been opened up in the eastern townships but these deposits are not of metallurgical grade and shipments are made to the United States for American dollars. South African imports are paid for in sterling.

The need for tungsten used in high speed and special steels has grown. Tungsten and scheelite concentrates are urgently needed at present. Development of scheelite deposits in Canada would be a great national service, Mr. Bateman believes.

Magnesite is important as a refractory. Some dolomitic magnesite is mined in Canada but it is not the best grade and we have to import.

Mica is of strategic importance because of its use in airplane spark plugs and special instruments. Madagascar and Canada are the only places where the special grade required for airplane spark plugs can be secured.

Sheep Creek Earnings Lower in First Half

With production slightly lower and taxes higher, estimated earnings of Sheep Creek Gold Mines showed a decline in the six months ended Nov. 30, 1940, the first half of the company's fiscal year. Net profit of $164,997 or 8.8 cents a share was realized in the period against $194,150 or 10.3 cents a share in the corresponding period of the previous fiscal year.

Output for the six months ended Nov. 30, 1940, amounted to $491,394 against $508,985 in the 1939 period. Production expense was lower but this was more than offset by an increase in taxes of over $23,000 at $105,175. Tonnage of ore milled totalled 27,545 tons in 1940 against 28,195 tons in the 1939 six months' period.

Ram River Gets Funds To Complete Drilling

A sum of $10,000 is being received by Ram River Oils Ltd. for completion of its well on the Ram River structure from Cleartay Oils of Calgary. In consideration Cleartay is given the right to inspect drilling operations, the core and log, with repayment out of first production at 5%. If the well is not a producer Cleartay is to get drilling credits on its own land for the money put up.

Drilling of the well has reached a depth of 2,184 ft. with production expected between 2,700 and 3,000 ft. Below 2,040 ft., fossiliferous material was encountered with a bituminous odor from most of the samples. The examination of the core was made by government geologists on Dec. 30, 1940.

Macassa Profit Record Likely

Estimated Earnings For 1940 40.4 Cents a Share Against 38.8 in 1939

Record profits appear likely for Macassa Mines in 1940 with estimated earnings of $1,082,075 equal to 40.4 cents a share, subject to allowance for expenditures on No. 2 shaft and outside exploration. In 1939, the previous record year, earnings after all charges were equal to 38.8 cents a share.

Production in 1940 reached an all-time peak at $2,651,718 with 150,674 tons milled for an average recovery of $17.60 per ton. In 1939, output was valued at $2,317,985 from 148,085 tons of ore milled, giving an average recovery of $15.65 a ton.

Recovery in the last quarter of 1940 was also a record at $710,676 from 38,168 tons of ore milled, an average of $18.61 a ton. In the last quarter of 1939, recovery had amounted to $597,908 from 37,209 tons of ore, an average of $16.07 a ton.

Operating profit for the fourth quarter was equal to 12.8 cents a share which brought operating earnings for the year up to 47.7 cents a share. Net profit for the last quarter was equal to 12.2 cents a share, bringing earnings up to the estimated figure of 40.4 cents a share reported previously.

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Deep Ore Detailed By East Malartic

Following completion of shaft sinking to 1,720 ft. depth and establishment of stations at the sixth to eleventh levels, East Malartic Mines has carried out drilling from the stations at each of the new levels except the eleventh, according to a survey of operations by Futterer and Reid, the company's consulting engineers.

The fifth level has been explored for 650 ft. west of the shaft and for 560 ft. east of the shaft, with work indicating widths and values similar to those on each of the four levels above. Because of the regularity of the structure above the fifth level it is stated to be possible to place a favorable interpretation upon the drill results on the new levels below.

Ore widths and values obtained in this drilling are as follows:

	Width ft.	Value at $35 Gold Cut $	Value at $35 Gold Uncut $
Sixth level	13.1	9.65	9.65
Seventh level	29.8	12.63	14.75
Eighth level	40.2	6.06	6.08
Ninth level	40.1	5.86	5.86
Tenth level	46.3	6.13	8.14

NORTH AMERICAN LIFE ASSURANCE COMPANY

60TH ANNUAL REPORT

For Year Ending 31st December, 1940

ASSETS

Bonds		$39,917,166.66
Government and Government guaranteed	$20,415,749.81	
Municipal	9,542,857.35	
Public Utility	5,138,965.83	
Railway	763,578.44	
Industrial and others	4,056,015.23	
Stocks		4,147,716.66
Preferred	$ 1,711,215.87	
Bank, Trust and Loan Company	1,540,585.91	
Public Utility—without prior liens	583,420.62	
Miscellaneous	312,494.26	
Loans on Policies		7,028,162.75
First Mortgages on Real Estate		12,147,887.49
City Properties	$11,059,921.38	
Farm Properties	1,087,966.11	
Agreements for Sale of Real Estate		638,277.28
Real Estate		1,785,630.38
Head Office Building	$ 650,000.00	
Other Properties	1,135,630.38	
Cash on Hand and in Bank		646,258.35
Invested Assets		$66,311,099.57
Other Assets		1,658,182.66
Interest Due	$ 74,109.67	
Interest Acrrued	636,831.16	
Net Outstanding and Deferred Premiums	947,241.83	
Total Assets		$67,969,282.23

LIABILITIES

Policy Reserves		$55,502,032.00
Reserve for Assurances and Annuities	$55,378,809.00	
Provision for Claims	123,223.00	
Other Policy Liabilities		5,230,522.48
Policy Benefits in Course of Payment	$ 379,490.90	
Policyholders' Funds Held on Deposit	4,830,628.41	
Premiums and Interest Paid in Advance	20,403.17	
Accrued Expenses and Other Liabiilties		233,287.19
Contributory Staff Pension Fund		941,794.03
Investment and Contingency Reserves		1,750,000.00
Surplus Funds		4,311,646.53
Provision for Policy Dividends Payable in 1941	$ 1,175,473.00	
Other Provision for Policy Dividends	879,826.00	
Free or Unapportioned Surplus	2,256,347.53	
Total Liabilities		$67,969,282.23

PROFIT AND LOSS ACCOUNT

Year Ending 31st December, 1940

REVENUE		
Premiums	$ 8,073,791.92	
Interest, Dividends and Rents	2,933,112.60	
All other Revenue	37,435,72	
		$11,044,340.24
EXPENDITURE AND RESERVES		
Death Claims	$ 1,772,705.33	
Matured Endowments and Surrender Values	2,922,389.42	
Annuity and Disability Benefits	358,012.52	
Policy Reserves—net increase	2,679,363.00	
Policyholders' Funds on Deposit-Interest	154,952.49	
Staff Pension Fund—Interest	41,162.18	
Government and Municipal Taxes	193,755.00	
General Expenses	1,781,315.04	
Other Expenditure	8,750.00	
		$ 9,912,404.98
Surplus Earnings for the year 1940		1,131,935.26
Free Surplus as at 31st December, 1939		2,211,348.46
		$ 3,343,283.72
APPROPRIATIONS		
Amount written off Head Office Building	$ 50,000.00	
Transfer to Investment Reserve	11,980.25	
Transfer to Contingency Reserve	50,000.00	
Dividends Allotted to Policyholders	974,955.94	
		1,086,936.19
Free Surplus as at 31st December, 1940		$ 2,256,347.53

HIGHLIGHTS FROM 1940 REPORT

Total Business in Force (including deferred annuities)	$248,050,137
Increase — $8,592,372	
New Business (including deferred annuities)	$ 27,133,409
Increase — $1,480,492	
Assets	$ 67,969,282
Increase — $2,967,399	
Special Reserves and Surplus Funds increased to (Exclusive of Deferred Dividend Provisions)	$ 6,061,646

D. E. KILGOUR
President and General Manager

W. M. ANDERSON
Assistant General Manager

HEAD OFFICE : TORONTO, CANADA

Jason Finds "Golden Fleece"

Six Months' Production Wipes Out Big Debt Load

By GORDON M. GRANT
Staff Writer, The Financial Post

With handicaps which spelled bankruptcy for a predecessor company steadily overcome, Jason Mines has established itself as a profitable producer with enough high-grade ore in reserve to ensure continuous production for a period of years, barring any unforeseen contingencies.

If any secret to the success of Jason exists, it is probably hydro-electric power. Using Diesel engines, the predecessor company Argosy laid out $4 to $5 a ton for its power requirements. With hydro-electric power available, power costs now run only $1.10 a ton! Even more important than reduction in costs given by hydro power is the fact that power supply is now entirely adequate with a reserve available. Instead of development lagging, work can be pressed ahead with the company's two mines steadily being placed in better shape.

Clean Up Mortgage

Six months of production have been sufficient for Jason to take care of $185,000 of mortgage indebtedness as desired. Through operating profits realized, the company can show $30,000 of working capital above all indebtedness taking in the gold brick poured on Jan. 15. With operating profits running $30-35,000 monthly, dividends on the company's 3 million shares are expected to start some time this year. No decision has yet been made whether dividends will be paid quarterly or half-yearly.

While rated daily capacity of the company's mill is nominally 125 tons, treatment rate has recently been increased to close to 135 tons and a further gradual increase to 150 is planned. When mine development is worked farther ahead, it is quite possible the mill may be raised to 200 tons daily. However, this is still something for the future.

Ore Supply Ample

Ore disclosures at present indicate a rather large tonnage of ore available for an operation which is really just getting well under way. Many Canadian mines treating high-grade ore can see only a year or so ahead. But Jason has a good year's proved ore with possible ore indicated by diamond drilling suggesting a minimum of three years' milling requirements.

Jason is also one of the few gold mines in Canada which can boast two separate sets of workings. When a decision was made to resume work under a new company back in 1938, it was decided to concentrate efforts on the No. 1 vein which had not been developed underground. This vein was apparently an extension of a vein from the adjoining Camrock property. A new shaft—the No. 1—was sunk to a depth of 400 ft. vertical—or 510 ft. on the incline — with levels established at vertical intervals of 100 ft. Development of the rather flat-lying vein gave impressive results right from the start.

Over 500 ft. of Ore on 3rd

At the third level, for instance, a length of 553 ft. of ore has now been opened up running $24.08 cut grade across an average width of 31 inches. On the fourth or bottom level, the 400 ft. of ore developed to the end of December ran $32.52 cut grade across an average width of 20 inches.

Drilling has now been suspended to allow preparation of stopes. While the flat-lying character of the vein has proved somewhat of a disadvantage from a mining point of view, the mineable slope height of the vein available for mining is increased to about 180 ft. for each 100 ft. of vertical height.

The vein is flatter than usual between the third and fourth levels at No. 1 shaft, allowing a sub-level to be established in between.

High Grade in North Drift

An interesting exploration effort at the present time is the drift being put out north at the second level toward the Camrock property under an agreement with Camrock Mines. This drift has been following the No. 1 vein. A short while ago lengths of 20 and 25 ft. of ore were opened up averaging $14.05 and $17.69 a ton across average widths of 27 and 25 inches respectively. Recently the drift came into high-grade ore and a length of 100 ft. of good grade ore has been opened up with the face continuing in ore. There is a strong possibility that this may represent an important new ore shoot.

The heading at the moment has changed direction and it appears there are other veins associated with the No. 1 vein. A drill hole near the boundary shows a value of $21.

No. 2 Shaft Developments

Work at the old Argosy shaft—now known as No. 2—was resumed when hydro-electric power became available last year. This shaft is down 300 ft. with a winze from the 300-ft. horizon to 600 ft. depth. Levels are at 100-ft. intervals. Both shaft and winze are sunk on the incline. Work has been proceeding recently in ore on a sub-level above the second level.

Following timbering of the winze, work is now also proceeding on the fifth level. Drifting is in ore on the sixth level where only a small amount of work was carried out by the previous operators. There are numerous areas contiguous to this shaft where ore will likely be developed. Previous work was suspended not because of ore exhaustion but due to operating and financial problems, now overcome.

Other Veins Known

When the company has more completely developed the two veins now being worked on, it is expected attention will be paid to other veins known to exist on the property. Only two of at least six known veins have been worked on so far. With the lower costs given by hydro-electric power, showings which would not have made ore previously can now be mined at a profit, it is believed.

At a milling rate of 135 tons daily, Jason will mine about 49,275 tons of ore a year. Last September the company had 52,879 tons of ore blocked out with an average cut value of $20.56 per ton. This ore was somewhat better grade than that milled—recovery has been running around $17 a ton with 98% extraction. Besides this positive ore, work carried out previously showed 6,700 tons of ore at the No. 2 shaft averaging $18.44 a ton. Then, too, there were 19,209 tons of lower grade running $14.04 a ton.

Diamond drilling of the No. 1 vein also indicated 73,000 tons of possible ore which was then tentatively valued at $17.66 a ton. Considerable development would be required to put this ore in the assured category.

Expect $17 Recovery

Over a period, management expects mill feed to average out at $17 a ton or better if development continues to open up the same grade of ore as previously. Costs, including all disbursements except taxes, have been running a little over $9 a ton, amounting to $9.15 in October, $9.29 a ton in November and $9.21 in December. With treatment of an increased tonnage, it is possible that these costs may come down somewhat. Expenditures are regarded as being at a normal rate now and costs did not include any extraordinary items in the last three months of 1940.

Depreciation on plant and equipment is being written off at the usual rate of 10% while preproduction expense is charged at 15% per annum. Altogether write-offs absorb about $8,500 monthly. Assuming a $17 recovery—it may work out higher—operating profits of $32,400 a month can be realized with a $9.25 cost.

Earnings Estimated

Deducting $8,500 a month for write-off leaves a profits of $23,900 subject to excess profits tax at around 4% of production. This leaves an estimated profit of $21,000 a month or $252,000 a year after all charges. Based on this estimated net profit, earnings would be 8.4 cents a share a year. Any increase in the milling rate and lowering of costs will probably bring earnings over that figure if increased supply costs don't interfere. Based on operating profit before write-offs but after estimated taxes, earnings are just under 12 cents a share a year.

If directors choose to pay most or all of net profits out as dividends, working capital will still be increased through the charges for depreciation and preproduction expense. Working capital must be built up before dividends are commenced but with the present margin of profit continuing, it will not take long for liquid assets to reach a figure warranting disbursements.

Monthly production figures continue to show some fluctuation but this variation is expected to become smaller as mine development gets farther advanced and more places for drawing ore are secured. Details of production up to the end of last month are as follows:

Period:	Tons milled	Tons daily	$ Recov. per ton	$ Total recov.
July, 1940	3,838	124	15.37	57,735
August	3,769	122	17.99	67,801
September	3,730	124	18.09	67,252
October	3,880	125	16.84	65,227
November	3,793	126	18.60	70,473
December	3,866	125	15.62	60,404

Financial Position

No balance sheet for the end of 1940 has yet been made up on the company's accounts, as details from the mine have not yet been received. However, the balance sheet at Nov. 30, 1940, showed current assets at $98,624 including $29,195 cash and $68,299 in bullion. Current liabilities were shown at $80,402. Mortgage was shown at $105,000 and offsetting this was a mortgage fund of $61,999. Inventories of material and supplies not carried as a current asset were valued at $77,270 while a bond deposit for power supply amounted to $29,989.

The $30,000 mentioned earlier as present working capital after allowing for pouring of the Jan. 15 gold brick will allow retirement of the mortgage which is not yet due. No allowance is made for value of supplies on hand in the $30,000 figure.

President of Jason is Colonel E. M. Thomson of Toronto. J. H. Colville is consulting engineer. Other directors are E. G. Joy, E. G. Clarkson and N. F. H. Berlis, all of Toronto. C. Rutherford is mine manager.

Mining Enquiries

Ventures Ltd.

Will you please sketch briefly for me the present prospects of Ventures Ltd. of which I hold a considerable number of shares?

While Ventures has suffered severely from elimination of dividends by Falconbridge Nickel Mines, it now appears that the company's earning power may be restored. A gold mine in Nicaragua—La Luz—which the company financed to production is showing a substantial operating profit and it is hoped that dividends will be received from this source in the not too distant future. Outside of Falconbridge Nickel, dividends from companies in which Ventures has interest have been relatively well maintained. Matachewan Consolidated commenced payment of dividends this year and other companies such as Beattie, Coniaurum and Canadian Malartic Gold Mines have been contributing substantial amounts to the company's treasury. Earning power of Falconbridge may be restored with a greater demand for nickel.

In the past, dividends of Ventures appear to have been somewhat restricted in comparison with earning power for two reasons. First of all, the company has plowed back a large proportion of profits into new enterprises such as La Luz. Besides this, large amounts have been written off in investments to take care of losses. At the present time, capital commitments are being reduced and the company's securities portfolio does not appear to be overvalued.

Gunnar Gold

Can you tell me if dividends of Gunnar Gold Mines are being earned at the present time? Does it seem likely that they will be maintained?

Although no recent statement on earnings has been released by Gunnar Gold Mines, it is believed the present rate of dividend is being covered by earnings after allowing for all charges including excess profits tax. Operating profits are running much higher than net profits and the company might continue the present dividend rate even though dividends weren't covered fully by net profits.

At the end of 1939, ore reserves were sufficient for approximately one year's milling requirements. A series of new levels have been opened up at depth since then and this work has disclosed considerable further ore. Before the war broke out, it was feared mining and labor costs might rise excessively, interfering with gold mining operations. This has not happened so far at least. Gunnar has a substantial treasury position with approximately 20 cents a share in working capital at the present time. The mine is not a large one and will perhaps never develop into a major operation but it has shown ability to replace ore mined year by year.

Broulan Porcupine

Would you please tell me what Broulan Porcupine Mines is doing in the way of exploration at the present time?

Ore showings in several parts of the property of Broulan Porcupine Mines are now being investigated. An important new development is the No. 6 ore zone which lies to the southeast of the shaft and about 300 ft. south of the company's north boundary with Pamour Porcupine. It has an indicated vertical dip and appears likely to remain on the company's property. On the second level, 150 ft. of ore has been opened up in this zone, averaging .135 ounces across its drift width with an additional 200 ft. indicated by diamond drilling to the east of the point where the ore has been displaced by a fault.

Plans have been laid out for a programme of diamond drilling from the 523-ft. level with a view to testing favorable ground to the south of the main workings. Long exploratory drives are also being driven east and west at this horizon. The east one will allow exploration in the north Broulan claim which juts into Pamour territory. The west drive will test ground west of the shaft and toward the Hallnor and Bonetal boundaries.

As you have probably read, Broulan owns, has underwritten or has options on enough shares in Bonetal Gold Mines to give the company approximately a third interest. A shaft is now going down on the Bonetal ground to test an ore zone which drilling indicated to be 1,150 ft. in length. In addition to this zone, the extension of the Hallnor zone has been indicated on the company's property for a length of approximately 560 ft. If lateral exploration of the Bonetal property confirms the drilling results, ore may be shipped to the Broulan mill for treatment.

Mining Concentrates

Astoria Quebec Mines will issue a block of 10,000 shares in part payment of 1,250 ft. of diamond drilling on the company's claims in Louvicourt twp., Que., under an agreement with Speculations Ltd. Balance of the payment price is $2,000 cash. Cash payments will be made as the work progresses with the shares issued on completion of drilling.

* * *

Bralorne Mines showed a small decrease in output the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton	Total recov.
Dec. 31/40	46,492	505	20.33	945,175
Sept. 30/40	46,267	503	21.34	987,486

* * *

Cournor Mining Co. showed slightly higher production in December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December	6,644	214	7.76	51,557
November	6,261	209	8.16	51,071

* * *

Federal Kirkland Mining Co. at Nov. 30, 1940, held 450,000 shares of Brock Gold Mines and 88,000 shares of Delnite Mines. Besides these, company held an option on a further 100,000 Brock shares which is to be exercised. Exploration of the Federal Kirkland by Toburn Gold Mines from its 1,090-ft. level has been temporarily suspended while the Toburn shaft is extended to 2,475 ft. depth. Two vein structures were cut in work completed which appear to offer a chance of ore development at depth. Toburn plans to continue work at the 2,475-ft. level.

* * *

Gillies Lake-Porcupine property saw 966 ft. of drilling and 129 ft. of cross-cutting carried out in December. No drifting was done. Cross-cutting was continued in the No. 12 crosscut at the 1,550-ft. level but the values were below ore grade. Drilling was carried out from the 1,500 and 2,000-ft. levels but assays were nil.

* * *

Hedley Mascot Gold Mines has declared a dividend of 2 cents a share payable Feb. 15 to shareholders of record Jan 24. Ex-dividend date is Jan. 23.

* * *

McKenzie Red Lake Gold Mines has taken a working option on four claims of West Red Lake Gold Mines and an adjoining three claims of Rowan Red Lake Gold Mines. Five thousand feet of diamond drilling is to be done and if results warrant a new three million share company will be formed of which 333,333 shares will be issued on an even basis to West Red Lake and Rowan Red Lake.

* * *

Lake Shore Mines showed a further decline in production in the last quarter of 1940.

Quarter ended	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/40	152,647	1,659	14.99	2,288,890
Sept. 30/40	154,179	1,676	16.81	2,592,357

* * *

MacLeod-Cockshutt Gold Mines set a new record for quarterly production in the last three months of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/40	60,323	656	9.46	570,942
Sept. 30/40	59,678	649	8.86	528,503

* * *

McIntyre Porcupine Mines has declared its regular quarterly dividend of 55½ cents a share, payable in Canadian funds on March 1 to shareholders of Record Feb. 1. A bonus of $1.11 a share was paid on Jan. 2, 1941.

* * *

Northern Empire Mines Co. reports a decline in output for December due to treatment of a smaller tonnage of ore:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December	4,329	140	11.79	51,053
November	4,776	159	11.43	54,606

* * *

Macassa Mines report the highest monthly output in its history in December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December	12,866	415	28.64	239,850
November	12,380	413	19.35	239,480

* * *

New Augarita Porcupine Mines has added J. W. Tovell and G. E. Buchanan to its board of directors, it is reported.

* * *

Privateer Mine produced $114,538 from milling 2,616 tons of ore in December, an average recovery of $48.78 a ton, compared with $103,503 from 2,491 tons and average recovery of $41.55 a ton the previous month. It is not considered likely that the high rate of December production will be repeated. Development and mining of several high grade areas during the month was the cause, a principal factor being the high grade ore from the 1,102 raise on the No. 2 vein. Owing to the development of new areas the feed may be more irregular the next few months, and some months may be below average. General policy will be to resume and maintain as even production as possible.

* * *

Pickle Crow Gold Mines reports a considerable increase in production for the fourth quarter last year:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/40	*	*	*	782,472
Sept. 30/40	35,590	387	19.95	709,925

*Not available.

* * *

Preston East Dome Mines showed a considerable increase in its production for the month of December:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
December	16,285	525	13.65	222,323
November	15,274	509	12.99	198,381

* * *

Shenango Gold Mines plans to extend its programme of surface exploration, company offcials announce. Present work consists of trenching and test putting along a quarter mile section on the south zone.

* * *

Sturgeon River Gold Mines has granted an option to key employees for two years on 28,000 shares at 20 cents a share, provided employees remain continuously in the company's employ until options are exercised. The option was granted under resolution passed Dec. 12, 1940.

* * *

Uchi Gold Mines set a new record for quarterly production the last quarter of 1940:

Quarter ended:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Dec. 31/40	*	*	*	363,329
Sept. 30/40	60.096	653	5.97	358,872

*Not available.

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Mining Field Offers Lure In Old Peru

Spanish Aristocrats Send Children to Canada For Education

By R. A. McEACHERN
Staff Writer, The Financial Post

LIMA, PERU.—The future of Peru, which he believes will be great in South America, is in mining, Dr. Alfonso Alvarez Calderon told me when I talked with him in his great "drawing room" office looking out on the Plaza St. Martin.

Descendant of one of the oldest Spanish families in this part of South America and educated in England, he is now one of Peru's best known young businessmen. Three cousins of his, members of the same family, are now being educated in Canada, two at McGill University. Both had intended to follow the family tradition of getting their education in Britain. With the outbreak of war, their father, Dr. Alfred Alvarez Calderon, selected McGill after much investigation because, I was told, of its academic standing and because "it would not make life too easy for the boys."

Own A Gold Mine

The Alvarez Calderon family, one of the richest and most honored in Peru, has many interests but the one evidently most near the heart of Senor Alfonso is the gold mine which his family owns in the foothills of the Andes.

He wants to see others develop the same kind of mining proposition. His is neat, unpretentious, and handling about 200 tons daily of medium grade ore.

Big mines—of the 2,000 tons per day category—are not for Peru, he believes. What he urges is that Canadian and other mining companies should send down their engineers to report on and perhaps work up a string of these unpretentious but profitable properties.

No Taxes, Just a Royalty

The Government takes a 5% royalty on gross gold mining revenues, but exempts the mining company from all other taxes and raises no barriers to the export of profits.

As in Colombia, most of the mines operating here today are reopened workings of Inca and Spanish colonial times. Because of primitive mining methods and inability to extract ore from anything but high grade, the operators of two to five centuries ago abandoned properties well before their resources were exhausted.

Prospecting Promising

There are scores of old workings known throughout the Andes, but Sr. Alvares Calderon believes it is simply a matter of serious prospecting to uncover brand new deposits. Prospecting, he admits, is very difficult and expensive because of the extremely mountainous terrain. Until recently Peruvian mining engineers have not had a great deal of practical experience, he suggested, adding that Canadian engineers on Peruvian ground might very well uncover something worth coming a long way to find.

Canadian Runs Mine

At the Phoenix Club here, where any nationality is acceptable provided the prospect is able to speak English, I met one of Canada's most distinguished miners, Harold Kingsmill, vice-president in charge of operations for Cerro de Pasco Copper Corp., together with the general manager of the company, R. Spilsbury.

Mr. Kingsmill's father was once chief justice of Ontario, and he himself attended Upper Canada College. It seems that Kingsmill junior wanted to be a miner and Kingsmill senior was determined that he was going to be a lawyer. Junior won that argument and has been winning a lot of them ever since in mining camps around the world.

Cerro de Pasco Large

Cerro de Pasco, which he has helped to rear, is the second largest enterprise in Peru and one of the great copper mines of the world. In its conquest over geography, it is an achievement comparable with and in some respects surpassing Canada's Noranda and "Flin Flon" mines.

It is located about 140 miles inland, about 12,000 feet above sea level. Oroya is the location of the $15 million smelter. Some miles off is Malpaso with an $8 millions, 50,000 h.p. hydro-electric plant. There are three main mines, Morococha, Casapalca and Cerro de Pasco. To provide for the more than 10,000 workers, the company owns vast ranches high in the Sierras for thousands of cattle and sheep. Altogether the Cerro de Pasco properties cover a million acres.

In 1902 Cerro de Pasco was a $10 millions gamble for the senior, J. P. Morgan, William Randolph Hearst's mother, Phoebe Apperson, D. O. Mills, grandfather of the late Ogden Mills, James Ben Ali Haggin and several others. Incas and Spaniards had taken many shiploads of silver out of the mountain but the sulphide ores were more than primitive metallurgy could handle. Cerro is now a copper, lead, zinc, silver, gold and bismuth enterprise.

Proprietary Net Best to Date

Profit of $132,441 Realized in 14 Mos. Ended Dec. 31, 1940

A net profit of $132,441 was realized by Proprietary Mines in the 14 months ended Dec. 31, 1940, after all charges, including general and litigation expenses of $24,146, the highest in the company's history. A loss of $76,579 had been experienced the preceding 29 months. Of 987,305 shares issued, the company anticipates 111,300 will be cancelled following court judgments, subject only to possible rights of third parties.

Chief asset of the company is a holding of 1,011,875 shares of Kerr-Addison Gold Mines now selling around $3.50 a share. Besides this holding the company has the following investment portfolio:

Company:	No. of Shares
Omega Gold Mines	11,890
Canadian Reserve Mines	1,273,326
Crown Reserve Consol.	1,162,135
Fort Rouille Mining Corp.	400,000
Laguerre Gold Mines	200,000
Raven River Mines	1,489,679
Moosewood Gold Mines	105,000
Sarcee Mines	490,647
Spooner Gold Mines	1,200
Larder Lake Land Co.	20,000

Judgments secured by the company and its associates against George A. MacKay now total over $400,000, it is stated. They are said to appear to be totally uncollectible.

Further legal proceedings are now reported to be threatened by Robert I. McKay, the nature of which have not been revealed. It is understood they are based on cancellation of certain certificates at the direction of John M. Godfrey as Ontario Securities Commissioner. The company's legal advisers are of the opinion that a previous ruling handed down will govern in favor of the company on this point.

Three dividends of 5 cents a share each were paid by Kerr-Addison Gold Mines in 1940. If the progress of Kerr-Addison continues as indicated, and a regular dividend policy is adopted, Proprietary plans to pass on an equivalent dividend to its shareholders.

Income and Deficit Account

	14 Mos. ended Dec. 31 1940	29 Mos. ended Oct. 31 1939
Power division sales	57,711	106,738
Profit on secs.	......	21,584
Dividends received	151,781	......
Miscellaneous revenue	489	......
Total income	209,981	128,322
Less: Power expenses	44,816	64,546
Gen. & admin. exp.	24,146	26,766
Min. div. expense	......	8,430
Interest paid	8,578	7,653
Operating profit	132,441	20,927
Less: Depreciation	......	31,370
Litigation expense	‡	66,136
Profit for year	132,441	†76,579
Less: Prev. deficit	162,091	*182,170
Loss on furniture	230	......
Invests. reserve	......	285,876
Add: Fire loss adjust.	......	14,299
Interest adjust.	......	3,895
Deficit forward	29,880	162,091

*Surplus. †Loss. ‡Included in general expense.

Working Capital

Current assets	*518,423	518,367
Current liabilities	39,952	186,671
Working capital	478,471	331,696

*Including $509,737 of securities with a market value of $3,897,502 in 1940.

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Peck Rolling Mills Labor Seeks Benefits

From Our Own Correspondent

MONTREAL. — Steel workers at the Peck Rolling Mills (Montreal Division) of Dominion Steel and Coal Corp. are seeking establishment of a minimum hourly rate of 50 cents. The matter has been submitted to a board of conciliation of which Mr. Justice Lucien Cannon of the Quebec Supreme Court is chairman. The other two members are Lionel A. Forsythe, K.C., Montreal, company nominee, and J. L. Cohen, K.C., of Toronto, employees' nominee.

In the initial hearing P. J. Cowes, international representative of the Steel Workers Organizing Committee, which is affiliated with the Canadian Congress of Labor, submitted that this suggested minimum was in line with wages being paid at other plants of Dominion Steel and Coal Corp. He also asked for union recognition, establishment of collective bargaining machinery, adjustment of hours, and provision for payment of overtime when a certain number of hours is exceeded.

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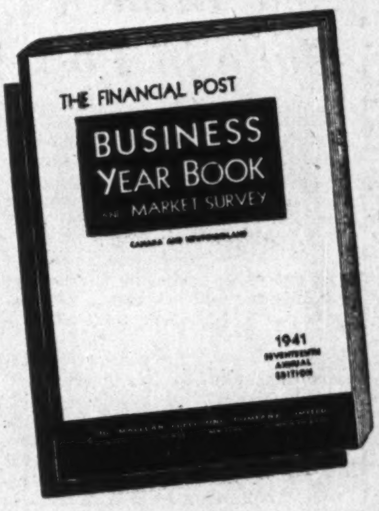

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Replacing War-Banned Silk Stockings

Canadian Textile Companies to Provide Substitutes Without Loss of Glamor

By HAROLD H. HILLIARD
Staff Writer, The Financial Post

To prevent a challenge to your wife's patriotism six months or a year hence, you may have to warn her against dressing in genuine silk. Even a pair of silk hose might give her away, and attract suspicious glances from passers-by.

The death knell to stockings and other apparel of silk has been sounded by Ottawa. Imports are now possible under license only and issuance of these is expected to be progressively curtailed. Partly responsible is the increasingly hostile attitude of Japan, the primary producer of the fibre, but the immediate cause is the need for preserving Canada's limited resources of United States dollars for more essential war purchases. Ladies' hosiery has been the focus of attention in the resulting tangle, as it absorbs about 80% of all silk imported from Japan via the U.S.

The ban has become a black hope for the fast increasing army of unemployed silkworms, a headache for Canada's silk products manufacturers and a big question mark for women who have visions of walking down Main St. with bare legs.

Ottawa is not responsible for the welfare of the silkworms, but it is obliged to help find a solution to the problems of the textile companies and consumers. Thus far it has been successful. All the obstacles have not been removed yet, but the danger of a shortage in the supply of women's leg-wear seems to have passed.

Second Textile Tangle

This is Canada's second wartime textile tangle. The first was with wool and followed the outbreak of war, due to a sudden demand on wool for uniforms which caused supplies to dwindle and prices to soar.

Big factor in unravelling the present tangle is an Ottawa ruling which permits limited supplies of silk to be brought in until sufficient substitute materials are available. The Government cannot suddenly tell the manufacturers on a Saturday: "no more silk," clamp on a rigid embargo over the week end and expect the factories to be running full blast Monday morning with rayon or nylon. But Finance Minister Ilsley has warned that permits will be issued "on a decreasing scale"—in other words, factories must get substitutes, or else. Which means the pure material will be cut off for all but direct war purposes.

Seek Substitutes

Manufacturers have been scurrying around in a frantic search for new fibres, and already have been partially successful. They look to pure silk being eliminated entirely by the end of 1941.

Replacing it will be three silk substitute fibres, rayon, nylon and lisle. Rayon is the most widely used now and is the substitute expected by manufacturers to replace much of the real silk in the future. Production of it is a relatively youthful industry in Canada, output having grown to 14.2 million lb. in 1939 from about half a million pounds in 1925. The fibre originally was found by accident during the 1880's by English scientists in search of a new material for electric light filaments. The French also stumbled upon it about the same time while hunting for a new textile.

Rayon comes in three varieties. Viscose can be manufactured from domestic spruce woodpulp, of which there are ample supplies, and which to buy does not require U. S. dollars. Canada's 1939 production of 7.7 million lb. was equal to more than half the total rayon output of 14.2 million lb., and used about 10,000 cords of pulpwood. One cord of spruce lengths make roughly 6,000 pair of stockings. Biggest operator is Courtalds of Cornwall, Ontario, which is called on for accelerated output.

Also made in this country is acetate rayon, supplied by Canadian Celanese at Drummondville, Quebec. It uses cotton linters as the base raw material, and these are imported, principally from the southern United States. Needed also is the acetate chemical, which is manufactured in plants built during the last war to make "dope" for covering aircraft.

Bemberg Fibre

Bemberg is the most satisfactory rayon from the viewpoint of the woman who demands fine quality hose, but only three factories in the world produce it. The German plant is out of the Canadian market, while the United States unit cannot even keep up with domestic American demands. Only the British supply is left open to this country.

Bemberg is the rayon most closely resembling silk for fineness and strength. But keeping the war in mind, its expanded production creates foreign exchange problems, the base material being cotton linters—the same as for acetate. Further, an embargo clamped on silk imports by the British Government has created heavier domestic demand on the United Kingdom factory, and it is difficult suddenly to supply large new quantities for Canada.

Newest Addition

The second available substitute is nylon, a synthetic, and the newest arrival to the fibre family. It first was announced in October, 1938, after ten years of research by du Pont of the United States, and still is scarce, providing only a small fraction of the amount needed to supply the Canadian demand for stockings.

In the past nylon hosiery was brought from the U. S., but now the fibre is imported and knitted into stockings in a dozen Canadian mills. Demand for a time is expected to far exceed supply, as no substantial increase in nylon is anticipated until a factory is built in this country. Just such a project already has been undertaken by Canadian Industries Ltd., which expects to have a $1.5 million factory operating by the fall of 1941. This will do the final processing on the semi-manufactured product imported from the U. S., and if and when Canadian consumption reaches the required volume, the complete chemical process likely will be installed.

Imagine milady draping coal around her legs! Yet, in effect, that is what is happening when one slides into a pair of nylon hosiery. The fibre is a synthetic resin made from a base of coal tar, with water and air added. Soft coal does the trick.

Parachute Competition

By the time nylon production is launched in Canada it is possible that there will be some competition for its use between parachutes for the R. C. A. F. and stockings for women's legs. Much depends on whether Japan remains unbelligerent, as nylon would be required almost immediately by the Air Force if silk was suddenly cut off. Even after the supplies for hosiery are halted the Dominion plans to license all imports of the fibre needed for strictly war purposes — such as making parachutes and powder bags and for covering electrical wire.

The only other silk substitute for hosiery is lisle. Canada does not manufacture it, but semi-made supplies from Britain are mercerized or finally processed here. This fibre is made from the cotton picked by the darkies of Georgia, Alabama and other southern states, and traces its beginnings to the famous northern France textile city of Lille, an important terminal in last year's Battle of France.

Lisle Difficulties

Major difficulty in increasing the supply is that the fibre spins very slowly and requires very expensive machinery. Also, production can be accelerated only over a long period, so there is little likelihood of lisle being any more than a minor factor in immediately replacing silk.

In a nutshell, what it looks like now is as explained by one manufacturer: About 80% of the silk to be substituted with rayon and the balance with nylon and lisle—the nylon proportion to increase and the rayon percentage to decline gradually as more nylon is made available. Further, instead of trying to replace all silk stockings with rayon, nylon or lisle hose, mixtures will become the standard practice.

The foot and welt (or top) of the hosiery in future will be made from a mixture of lisle and rayon. For the immediate future the "boot" or leg of the stocking will be largely a mixture of real silk and any one of the three substitutes. As the supplies of these increase the proportion of silk will drop until it is the accepted thing to buy hosiery made from mixtures of nylon and rayon, rayon and lisle and lisle and nylon. The final stage will be when the "boot" can be made entirely of nylon or rayon. The nylon hosiery now offered to Canadian women, incidentally, is completely nylon.

25 Silk Mills

First affected by the confusion resulting from the ban were Canada's 25 silk manufacturers in Quebec, Ontario and Nova Scotia. They appear to show little concern about the effects of the new fibres on their plants. No adjustment of machines is said to be necessary, provided the same fineness of thread is used as in silk—no matter what the material. And the silk operators feel more optimistic now than a matter of weeks ago about being able gradually to step up the supplies of fine fibres and offset the tightening ban on the Jap product.

They are heartened, also, by Ottawa's ruling that licenses will continue to be issued for the import of enough silk to cover exports from Canada of hosiery. This is important in protecting Canada's position as the biggest exporter of silk hosiery in the world. Exporters have been afraid of losing business if pure silk was replaced with substitutes, as many of the larger buyers are countries where women still have the choice of buying the pure silk product from the United States or other markets in competition with this country.

Dominion Bureau of Statistics figures reveal the importance of this trade. Canada shipped 521,429 pair of silk hosiery, valued at $3.1 millions, to 60 different countries during 1939. The exports ranged from 286,358 pair for British South Africa to negligible quantities for Nigeria and Burma. The war has not yet resulted in restrictions on shipments to British South Africa, but Britain is one large market cut off.

Female Whims

Hit also, although not as quickly as the silk operators, are the people who must wear the coal, the cotton and the spruce tree hosiery. Much depends on the dislikes and whims of the women, and the manufacturers are not ready yet to predict just what their reaction will be. It is fully recognized, however, that some obstacles must be hurdled—for instance, many hosiery buyers do not take readily to rayon, judging from a casual but effective survey of women conducted by The Post. On the other hand considerable enthusiasm is shown for nylon.

Lack of elasticity seems to be the big grievance against rayon. This is especially annoying to women with thin legs, as the hosiery is inclined to become baggy and to lack in form-fitting. Only complaint heard about nylon is that some people are allergic to it, and the skin reacts unfavorably to the fibre.

Du Pont, creator of nylon, claims it is superior to silk in strength and elasticity—both vital points to a woman. Enquiries among Canadian buyers seem to bear this out, one enthusiast summarizing the comments with: "Nylon hosiery is four times as good looking, with three times the life of a silk pair."

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New Branch Plant Survey Made in Post Year Book

Nearly 50 new industries or branch plants were established in Canada by interests in British or foreign countries during 1940, according to a special study featuring the 1941 edition of The Financial Post Business Year Book.

It is one of the most important and extensive lists of new industrial establishments on record. It approximates the peak total of 1939 which included the exceptionally large pre-war movement of industrial capital to this country.

Analysis of the new industries shows that a score came from the United States and an equal number from Europe. Seven plants with the parent company in England are reported as having located in Canada during 1941.

In addition, two American firms reported having made manufacturing arrangements with a Canadian organization during 1940.

Widely Distributed

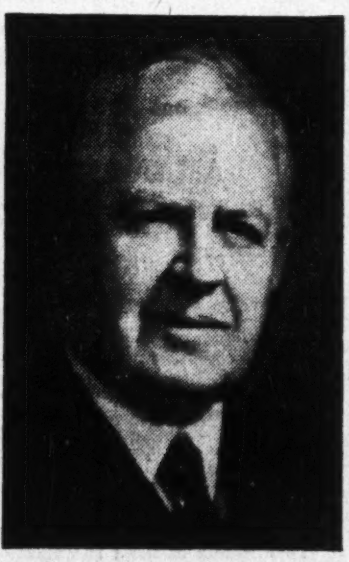
One feature of the 1940 tabulation as prepared by The Financial Post Business Year Book, is the widespread distribution of these new plants not only throughout Ontario and Quebec but also to some extent in other provinces. New Brunswick and Saskatchewan are represented.

Although one or two plants to manufacture war materials such as aircraft parts are included, the bulk of these new industries are for a wide variety of merchandise including chemicals, plastics, and natural products such as frosted foods. Three of the firms established in Canada to manufacture plastics, several represent textile trades such as cotton bags, dyeing and finishing, worsted yarn, flax and flax products, etc.

Almost all of the industries reported from England are in the engineering or mechanical field.

Names of the new firms and their location are shown below. Further details as to the article produced and the origin of the firm are included in the analysis published in The Financial Post Business Year Book 1941, which will be issued shortly.

From U. S.—	Located at
Intercontinental Meat Corp.	Saskatoon
Atlas Power Co.	Sarnia
Canadian Lapin Products, Inc.	Toronto
Max Factor & Co.	Toronto
Sharp & Dohme (Canada) Ltd.	Toronto
Nelson Chemical Co.	Windsor
Windsor Wire Die Co.	Windsor
Weatherhead of Canada	St. Thomas
Masonite Co. of Canada	Gatineau, Que.
Canadian Postage Meters & Machines Ltd.	Toronto
Super Oil Seal Mfg. Co. Ltd.	Hamilton
Colonial Dyeing & Finishing Co.	Valleyfield, Que.
Lloyd Bag Co.	Chatham
Gorton-Pew Ltd.	Caraquet, N.B.
Bolta Plastics Ltd.	Granby, Que.
Crane Packing Co.	Hamilton
Oxzyn Company	Toronto
Tillotson Rubber Co.	St. Johns, Que.
Green Firebrick Ltd.	Montreal
From England—	
Holman Machines Ltd.	Woodstock, Ont.
Small Electric Motors (Canada) Ltd.	Toronto
Wool Combing Corp. of Canada	Acton
Kennametal of Canada Ltd.	Hamilton
Commonwealth Plywood Co.	St. Therese, Que.
Korect Depth Gauge Co.	Toronto
Self-Priming Pump and Engineering Co.	Toronto
From Europe—	
Spinners Ltd.	Huntingdon, Que.
Laurentian Flax Products	Beachburg, Ont.
J. K. Smit & Sons of Can. Ltd	Toronto
Plastic Mfg. Co. of Canada Ltd.	St. Therese, Que.
Durabilt Wall Products	Toronto
Prenco Progress & Eng. Corp.	Toronto
Loden Woollen Works	Huntingdon, Que.
Laurentian Art Potteries	St. Jerome, Que.
Ajax-Doret Metal Products Co.	Toronto
Daylight Fixtures Ltd.	Montreal
Emdeca Co.	Montreal
Magic Wood Products Reg'd.	Montreal
Minfermet Ltd.	Montreal
Noralit Co. of Canada	Montreal
Reskun Ltd.	Montreal
Trulite Ltd.	Montreal
Vogue Belts and Novelties	Montreal
Albunina Co.	Waterloo, Que.
Industrial Glass Works	St. Laurent, Que.
Meteor Mfg. Ltd.	Farnham, Que.
Manufacturing Arrangements—	**With**
American Engineering Co.	John Inglis Co., Toronto
General Foods Inc.	Hudson's Bay Co., Winnipeg



HEADS BUILDERS

John E. Clarke, manager of the eastern branch office in Toronto of the Carter-Halls-Aldinger Co. of Winnipeg, who was the official choice for new president of the Canadian Construction Association at its annual convention in Montreal. Mr. Clarke has been vice-president of the Association for the past year, and has served as acting president since Cecil H. Gunn, of Winnipeg, retiring president, became ill last summer. He heads an organization embracing the principal construction contractors across the Dominion, as well as supply firms and building material manufacturers.

CONDUITS NAT. DIVIDEND

Conduits National Co. has declared a dividend of 25 cents a share on its common stock, payable Feb. 1, 1941, to shareholders of record Jan. 24. The last previous payment was 15 cents a share on Aug. 8, 1940.

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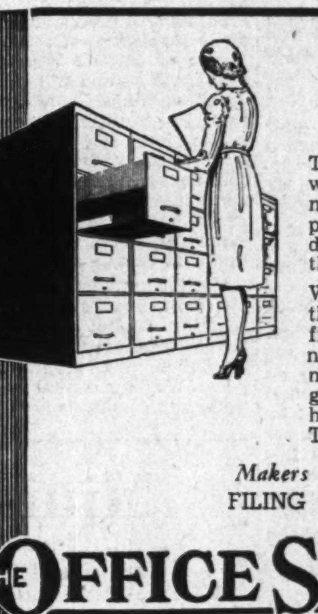

Swamped!

That chronic complaint of office dwellers, "swamped with work" is quite often just a "bogging down" by wasted minutes that add up to hours, searching and fumbling for papers that were "right there a minute ago"—of prying at desk or file drawers that always seem to be stuck—or fixing that chair with the shaky leg, etc., etc.

We only touch on the fringe of these office time-wasters that modern, smoothly-operating office equipment and filing systems can eliminate. You know that it's not economy to harbour junk—only you don't seem to get time to make a change. But tempus fugits or something and things go from bad to worse. We sure would like to give you a hand out of that "swamp." We've pulled a lot of others out. That's our job!

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94th Annual Report
of Canada's Oldest Life Assurance Company

- Never since the Canada Life was established have its policyholders been more adequately protected.
- The total of all new paid life insurance placed with the company in 1940 amounted to $62,000,586, an increase of $855,215.
- In addition 1,356 new annuity contracts were completed during the year resulting in premiums of $2,906,286. This is $1,211,193 greater than in the previous year.
- Life insurance in force at the end of 1940 amounted to $805,704,918. This "in force" figure does not include annuity business, which has again shown a substantial increase.
- Lapses and Surrenders—policies which are discontinued before they mature—were reduced by $2,285,730 from the 1939 total. This is an improvement over 1938 of $4,572,060.
- Assets have increased by more than $7,500,000 from a year ago and now amount to $275,583,490, the highest figure in the company's history. Practically all of this amount represents savings of our policyholders accumulated for the future protection of themselves and their beneficiaries.
- The company's unassigned surplus shows an increase of $476,515, bringing the total surplus funds and special reserves up to $13,501,245.
- During the year more than 30,000 cheques were sent to policyholders and beneficiaries for a total of more than $23,500,000. This brings the amount the Canada Life has paid to or accumulated for its policyholders and their beneficiaries since 1847 to more than $740,000,000—over $70,000,000 more than has been received in premiums.

The Canada Life
Assurance Company